

THE FINANCIAL SITUATION.

There have been very slight changes in the money market this week. On call, as represented by bankers' balances, the extremes have been 3 and $1\frac{1}{2}$ per cent, averaging about $2\frac{1}{2}$ per cent. It should be stated in explanation, however, that the wide range does not reflect activity in the market, but it indicates a discrimination in collaterals among lenders, some stipulating that the security shall be prime dividend paying stocks or good bonds, and when such collateral is offered low rates are made. Those of our banks and trust companies who have loaned on call on stock collateral have got 4 per cent as a rule, although during the week one of the heaviest trust companies loaned a large amount below this figure and renewed it the next day at the Stock Exchange rate. Time loans on first-class collateral are quoted at 4 per cent for ninety days and $4\frac{1}{2}$ and 5 per cent for four, five and six months. There are no quotations this week for loans on mixed collateral for the reason that lenders are indisposed to take any but first-class security, and some of the comparatively high-priced dividend properties which have within a few days fluctuated widely have been thrown out even when put in to "fatten" loans. The city banks are doing substantially nothing in time loans and the offerings are as heretofore chiefly by out-of-town institutions. The commercial paper market is dull although a fair amount of business has been done the last few days with Eastern and near-by Southern banks. Rates are $5@5\frac{1}{2}$ per cent for sixty to ninety days' endorsed bills receivable, the former figure nominal and the latter actual; $5\frac{1}{2}@6$ per cent for four months' acceptances, and 6 to 7 per cent for good single names having from four to six months to run.

The cable reports discounts of 60 day to 3 months' bank bills in the open market at London at $1\frac{1}{2}@1\frac{1}{4}$ per cent. At Paris the open market rate is $2@2\frac{1}{2}$, at Berlin it is $1\frac{1}{2}$ and at Frankfort it is 2 per cent. These low rates in addition to the more pacific outlook of European politics and the British funding operations encourage an upward movement in securities, especially at London. The proposed refunding of consols continues to attract considerable attention. It is a large operation, and the amount of friction which will attend it is a question that is finding active discussion by the London press. Of course, the Government must procure funds to pay off all holders who refuse to accept the change, and this it is argued may lead to such a displacement of capital as to affect the money market. But the low rates now ruling for discounts do not in any degree encourage the idea that Mr. Goschen's action will cause any disturbance. The Bank of England has this week gained £133,000, caused as appears by a special cable to us by an import from Egypt of £56,000, and by receipts from the interior of Great Britain of £77,000. The Bank of France gained £75,000 gold, and since the last report the Bank of Germany has increased its gold about £300,000.

Our foreign exchange market was dull but firm at unchanged figures until Wednesday, when there was an advance of half a cent per pound sterling, mainly owing, it is said, to a demand to remit about £400,000 in settlement of a loan falling due in London, which loan was negotiated thirty years ago by the State of Massachusetts upon the Troy & Greenfield Railroad. The demand was somewhat urgent on that day for sight sterling and cable transfers, and the exchange of long for short bills also made the former stronger. On the following day the market was firm but inactive, indicating that the inquiry had been satisfied. A fair demand for sterling has existed also to remit for se-

curities sold here on European account. Still, had it not been for the exceptional demand noted above, there would not probably have been any advance in rates. So far as trade conditions influence exchange, they point to high rates. Mr. Switzler, of the Bureau of Statistics, has this week issued his figures of foreign commerce for February, and we give them below in our usual form.

FOREIGN TRADE MOVEMENT OF THE UNITED STATES—(000s omitted.)

Year.	MERCHANDISE.			GOLD.			SILVER.		
	Exports.	Imports.	Excess of Exports.	Imports.	Exports.	Excess of Imports.	Exports.	Imports.	Excess of Exports.
1888.	\$	\$	\$	\$	\$	\$	\$	\$	\$
Jan...	62,051	58,519	4,538	395	624	+229	2,238	1,190	1,048
Feb...	56,684	66,877	-10,193	1,014	1,667	+653	2,118	1,170	948
Total	119,735	125,390	-5,655	1,409	2,291	+882	4,356	2,368	1,988
1887	128,311	111,107	17,204	3,880	2,306	1,574	4,267	2,580	1,741
1886	109,893	104,101	5,792	2,692	8,239	+5,544	4,908	2,160	2,739
1885	134,473	84,249	50,224	3,903	2,082	1,881	4,736	2,097	2,639
1884	135,236	109,021	26,215	948	3,565	+2,617	4,609	2,009	2,604
1883	147,285	113,272	33,963	1,601	780	821	3,942	1,881	2,061
1882	121,528	115,783	5,745	1,803	7,334	+5,731	3,734	1,165	2,569

* Excess of imports. † Excess of exports.

This statement shows that the merchandise results for the two months have netted an adverse balance of \$5,655,000, against a favorable balance of \$15,204,000 last year, and \$50,224,000 the same two months of 1885.

Congressional action on financial and commercial measures has progressed during the week. We have referred in a subsequent article to a bill which has been passed by the House of Representatives affecting our subsidiary currency—a step backwards unfortunately. The Banking and Currency Committee was the source of it, a committee out of which we are sorry to say, so far as our memory serves us, we never knew anything good to come. But our greatest surprise is that some of the most reliable men in the opposition joined in the affirmative vote; we can see no reason in such action, unless it had for its object the noble purpose of putting "the administration in a hole." The Ways and Means Committee on the other hand have pushed their work on a tariff and revenue measure to completion, and it is stated that the majority report will be presented to the House to-day. In the Senate no final action has as yet been taken on any subject before it, but intended legislation is gradually assuming shape. On Tuesday a funding bill was introduced by Mr. Aldrich from the Committee on Finance (under the title of "a bill to authorize the Secretary of the Treasury to apply the surplus money in the Treasury to the purchase of United States bonds," &c.) authorizing the Secretary to receive 4 per cent bonds and issue in exchange $2\frac{1}{2}$ per cents, paying "out of any money in the Treasury not otherwise appropriated * * * a sum equal in each case to the aggregate present worth at the time of exchange" of the portion "of interest from which the United States is released by such exchange, &c." Another section gives to the national banks the power to use these new bonds as security for circulating notes, the association making the deposit being "entitled to receive circulating notes thereon * * * not exceeding the *par value* of the bonds so deposited." This bill as we understand it is not to be held as an expression of the opinion of the majority of the Finance Committee, but is a tentative measure reported for the purpose of bringing the whole subject before the Senate. That object is a very desirable one, and we shall take occasion to discuss the features of the measure at some future date. The title cited in part above, has in some quarters led to the belief that this report is an amendment of the bill introduced by Mr. Mills of the House and sent to the Senate Finance Committee March 1st, and reported back to the Senate March 6th,—a bill which authorizes the purchase of United States bonds by

the Secretary. There are two distinct bills, as we understand, now before the Senate; the latter is called House bill 5,034 and the former Senate bill 163. The Senate bill will require time to mature and it is very doubtful whether that can be done at this session; furthermore it must also be doubtful until experience has proved the contrary, whether any funding measure of that kind which is passed will be accepted by the bondholders. Consequently the speedy passage of the House bill is in any event of the utmost importance; and we suppose that the Finance Committee of the Senate is of the same opinion, for we notice that Mr. Morrill, the chairman, gave notice on Monday of this week that he should call up H. R. 5,034 for consideration on Tuesday. It had not been considered up to yesterday, but we have no doubt the delay was for sufficient reason.

The northwestern railroad situation has to all appearance improved decidedly and in every particular during the week. Respecting freight rates, the latest news further encourages the hope that the end of the war is approaching, and that we may soon have more complete harmony existing among the roads than has for some time been thought possible. A new adjustment of differences seems to be in progress, which, if reports can be at all relied upon, is full of promise. As to the strike on the Burlington & Quincy every indication at the moment favors the belief that it also is speedily and surely nearing its end; in fact the latest telegrams hold out the expectation that it may even be declared off to-day. When we last wrote the contest had involved the Atchison & Santa Fe, but the moderation and at the same time the firmness (*suaviter in modo, fortiter in re*) of the managers of that company led to better councils, and on Monday morning the engineers and firemen on the road had all returned to their respective positions. They returned, too, without apparently any concession being made by the Santa Fe as to hauling Burlington freight, that road having since then, according to current reports, taken such freight freely without the least sign of new disturbance. Furthermore, this boycotting feature on the part of the engineers was, we may presume, at the time of the return of the Santa Fe engineers, practically eliminated from the contest, no distinction as to the source of freight having been so far as we have seen raised on any road since that settlement. The clear announcement by the court of the law which controls in such cases and which we remarked upon last week, was no doubt accepted by the Brotherhood as conclusive, not only of the legal point raised, but also of the unwisdom and hopelessness of opposition to it on their part. Had the engineers taken a different course the confusion to the industrial interests of the Northwest would have been unparalleled, but it would have aroused such a tempest of public opinion against the act as could have ended only in the utter discomfiture of the laboring class. It will be a great gain to law and order, if when this strike is ended the boycotting of railroads shall have been proved to be a weapon of no use in such a contest. The labor struggle on the Gould system of railroads in the spring of 1886 was supposed to have settled that question, but with this experience added, the remaining doubt, if there was any, has certainly been removed.

Very naturally a quieter feeling prevails in trade circles. In the first place, the storm of last week, as then stated, almost completely stopped business for the time being. Then the labor difficulties in the West have also exercised a deterring influence, for though the engineers' strike on the Burlington & Quincy now seems about to have come

to an end, the reports in the earlier stages of the difficulty encouraged the idea that the movement might assume very large proportions. The continued uncertainty about the action of Congress upon the surplus question, is a more serious matter, for so long as this remains unsettled, no one cares to enter upon new ventures of importance. Still, the volume of business continues large. If it is not as heavy as at this time last year, the disturbing influences mentioned explain the reason why, and it is also to be remembered that in March, 1887, unusual activity prevailed in the purchase and forwarding of goods, merchants and consumers having been anxious to get their shipments through to destination before the Interstate law should go into effect. With regard to the temporary lull in the demand for cotton goods, the decline in the price of the raw material is doubtless responsible for it. In the iron trade the feeling is still unsettled and the reports conflicting. We should think, however, that soon a proper equilibrium would be established between production and consumption, for the figures published last week by the Iron Age show that since the 1st of January there has been a reduction in the weekly capacity of the anthracite furnaces of nearly 10,000 tons, and of the bituminous furnaces over 14,000 tons, making a reduction of about 24,000 tons per week. Perhaps that is the reason why, according to the statement of Mr. John H. Jones issued this week, the stocks of anthracite coal at tidewater points during the month of February increased 137,333 tons in face of the fact that the amount of coal mined was 22,681 tons less than in the same month last year. To show more clearly the changes as compared with other years, we annex the following statement in our usual form.

Anthracite Coal.	February.			Jan. 1 to March 1.		
	1888.	1887.	1886.	1888.	1887.	1886.
Stock beginning of period.....	Tons. 95,168	Tons. 475,448	Tons. 779,004	Tons. 130,977	Tons. 372,283	Tons. 754,545
Production.....	2,528,322	2,551,003	2,385,028	4,784,014	4,794,316	4,723,209
Total supply.....	2,623,490	3,026,451	3,164,032	4,914,991	5,166,599	5,477,754
St'k end of period.....	232,501	470,600	906,946	232,501	470,600	906,946
Consumption.....	2,390,989	2,555,852	2,167,086	4,682,490	4,695,999	4,489,808

Thus notwithstanding the fact that February had one day more this year than last, the consumption has been about 165,000 tons less. With reference to the production and the effects upon it of the miners' strikes, the Lehigh region turned out only 52,250 tons, against 409,349 in 1887; the Schuylkill 454,098, against 706,799 tons, while the Wyoming produced 2,021,973 tons, against only 1,434,854 tons last year.

The stock market has been irregular and at times very weak, the fluctuations being governed largely by the movements of the Gould stocks. On Wednesday Missouri Pacific suddenly declined six points in the last hour of business, and the general market which previously had been none too strong, became demoralized, prices dropping sharply all around. The weakness continued through a part of the following day, speculation being very active, and the tone since then has not greatly improved. In addition to the Gould stocks there have been a few other weak specialties, notably New York & New England, Philadelphia & Reading, Union Pacific, and at times St. Paul and Richmond & West Point Terminal. There can be no doubt that great pressure has been brought against the market by operators for a decline, the Gould securities being used as a weapon. In the face of these conditions however some of the better class of properties have held up remarkably well, and in the case of Chicago & Northwest and Lake Shore the change in price as compared with a week ago is quite slight. As far as

new developments are concerned, they have been favorable rather than otherwise this week. The Burlington & Quincy strike has almost ceased to be a disturbing influence, while as regards the rate war in the Northwest all the roads are reported to have now given their consent to an advance in rates, and by the early part of April the higher schedule will be generally in force. It is true that the weekly reports of earnings just now coming in are many of them very unfavorable, but it is not to be forgotten that the comparison is with the large totals of earnings just preceding the going into effect of the Inter-State law last year, and also that this year the storm greatly reduced results. The exhibit of the Northwest for February was published this week, and proved an agreeable surprise in showing an increase in gross rather than a decrease. The Central of Georgia has also issued its February statement, exhibiting a very handsome gain in both gross and net. Money has continued easy, though there have been some heavy shipments of funds to the New England States.

The following statement, made up from returns collected by us, shows the week's receipts and shipments of currency and gold by the New York banks.

Week ending March 23, 1888.	Received by N. Y. Banks.	Shipped by N. Y. Banks.	Net Interior Movement.
Currency.....	\$1,000,000	\$1,811,000	Loss. \$712,000
Gold.....	.....	300,000	Loss. 300,000
Total gold and legal tenders....	\$1,000,000	\$2,111,000	Loss. \$1,012,000

The above shows the actual changes in the bank holdings of currency and gold caused by this movement to and from the interior. In addition to that movement the banks have gained \$400,000 through the operations of the Sub-Treasury. Adding that item to the above, we have the following, which should indicate the total loss to the New York Clearing House banks of currency and gold for the week covered by the bank statement to be issued to-day.

Week ending March 23, 1888.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' Interior Movement, as above	\$1,000,000	\$2,111,000	Loss. \$1,012,000
Sub-Treasury operations.....	740,000	7,000,000	Gain. 4,000,000
Total gold and legal tenders....	\$8,400,000	\$9,111,000	Loss.. \$612,000

The Bank of England gained £133,000 bullion during the week. This represents £56,000 received from abroad and £77,000 from the interior of Great Britain. The Bank of France gained 1,875,000 francs gold and 4,075,000 francs silver, and the bullion in the Bank of Germany, since our last, increased 7,760,000 marks. The following table shows the amount of bullion in the principal European banks this week, and at the corresponding date last year.

Banks of	March 22, 1888.			March 24, 1887.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England.....	23,460,573	.....	23,460,573	24,695,293	.....	24,695,293
France.....	44,634,947	47,825,152	92,460,119	47,913,003	48,105,275	96,018,278
Germany.....	32,500,000	19,955,910	52,455,910	20,212,910	17,924,390	38,137,300
Aust.-Hung.*	6,268,000	14,715,000	20,983,000	6,344,000	13,898,000	20,242,000
Netherlands.	4,485,000	8,326,000	12,811,000	4,816,000	8,261,000	13,077,000
Nat. Belgium*	2,897,000	1,448,000	4,345,000	2,695,000	1,347,000	4,042,000
National Italy	6,973,000	1,118,000	8,091,000	7,001,000	773,000	7,774,000
Tot. this week	111,228,630	63,385,062	174,613,692	113,681,906	88,308,068	201,990,574
Tot. prev. w'k	110,609,111	62,926,324	173,535,435	113,324,658	88,162,780	201,487,447

* The division (between gold and silver) given in our table of coin and bullion in the Bank of Germany and the Bank of Belgium is made from the best estimate we are able to obtain; in neither case is it claimed to be accurate, as these banks make no distinction in their weekly reports, merely reporting the total gold and silver; but we believe the division we make is a close approximation.

NOTE.—We receive the above results weekly by cable, and while not all of the date given at the head of the column, they are the returns issued nearest to that date—that is, the latest reported figures.

The Assay Office paid \$137,804 through the Sub-Treasury for domestic bullion during the week, and the Assistant Treasurer received the following from the Custom House.

Date.	Duties.	Consisting of—			
		Gold.	U. S. Notes.	Gold Certificate's.	Silver Certificates
Mar. 16.	\$396,492 93	\$1 000	\$31,000	\$341,000	\$23,000
" 17.	224,162 54	3,000	26,000	178,000	17,000
" 19.	481,927 62	1,000	63,000	374,000	45,000
" 20.	755,123 93	5,500	74,000	616,000	59,000
" 21.	327,049 57	3,500	53,000	210,000	59,000
" 22.	282,356 83	2,000	35,000	198,000	46,000
Total.	\$2,470,013 47	\$16,000	\$282,000	\$1,917,000	\$249,000

Included in the above payments were \$7,000 in silver coin, chiefly standard dollars.

HASTY FINANCIAL LEGISLATION.

It is odd how eagerly Congressmen accept any offer to add a new kind of paper money to our already multiform collection. We have this week a conspicuous instance of the absorbing influence of this passion.

The bill we refer to is the one which authorizes and directs the issue of fractional currency of the denominations of 10, 15 and 25 cents without any limit to the amount. Of course compared with the whole volume of our currency the fractional issues are not large, only about 75 millions in all, and we cannot believe the desire of our people for paper is so strong that these notes will replace subsidiary silver coin to a very large extent. Still this measure permits it. What is worse, however, it is bad in principle, and yet went with almost unheard-of speed through the House of Representatives. It came up on Monday. If it had been ordinary legislation, something that the people wanted, it probably would not have been perfected until July. But this was another affair altogether, and consequently was brought before the House on a motion to suspend the rules and pass the bill at once. Too great haste seemed impossible. Perhaps the feeling was not unlike that of children in swallowing a nauseous dose—they feared the choking sensation of the principle involved if taken deliberately.

Mr. Henry Bacon, a member of the Banking and Currency Committee, and several others, made excellent speeches against speedy action and against the bill. They showed (1) that there was no real demand for the measure from any quarter; (2) that the issue would cost several hundred thousand dollars; (3) that it would entail serious loss upon the poorer classes who use such currency, citing in proof of the fact that many millions of the old fractional currency were still outstanding July 1, 1887, eleven years after the last issue had ceased; (4) that our stock of subsidiary silver coinage is now beyond the needs of the country and is accumulating in the Treasury, there being nearly 25½ million dollars of it in the Government vaults on the first of last month; (5) that as the need for subsidiary currency is thus already more than satisfied, the new device cannot find place to circulate except by crowding out silver issues which occupy it now; and (6) finally that the proposal is objectionable on grave economic grounds.

But notwithstanding all this, and in face of the fact that it was only a few years ago that we abandoned what Mr. Cox calls "the old rotten-small-pox-fractional-paper-currency" and brought in the use of silver small-change by the almost unanimous action of Congress attended with a hearty chorus of good riddance for the old and welcome to the new from 50 millions of people—in face of all this the House of Representatives on Monday last by a vote of 177 to 67 suspended its rules and passed this bill which virtually reverses that action. Now let us see the kind of reception the Senate will give to this "old, contagious, unpleasant" paper measure.

THE MISSOURI PACIFIC REPORT.

It is not surprising that the exhibit of the Missouri Pacific for the late fiscal year should have excited adverse comment, nor that its publication and concurrent rumors of a reduction or suspension of dividends should have had the effect of unsettling the market values of the company's securities. There are enough uncertain elements in the affairs of the road to warrant the differences of opinion that have arisen as regards its future and prospects.

In the first place the mileage of the system has been extended beyond the largest expectations. The report tells us that aside from the Little Rock & Fort Smith road of 170 miles, no less than 2,137 miles were added during the year, of which about 600 miles were acquired by purchase, about 1,000 miles by new construction and 537 miles through the operation of new road constructed in the previous year. Hence at the end of 1887 6,974 miles were in operation on the various lines in the system, while 561 miles more were in process of construction, so that before long the system will comprise over 7,500 miles of road. When we say that for 1886 the average mileage on which report was made was only 4,601 miles, it will easily be understood what an important change has taken place in this respect and how the character of the property and its prospects are affected thereby—as involving both its own lines and those of competing systems.

As regards past results, however, it is not at all the new mileage that is chiefly responsible for the confusion that exists. A statement is given showing gross and net earnings independent of the new branch roads of 1,500 miles—that is, we are furnished with the results of the operation of 5,096 miles of road, as compared with 4,601 miles in 1886, a comparatively small increase in mileage. Now according to this statement gross has increased nearly 3½ million dollars, which is certainly very satisfactory as far as it goes. But when we come to the net earnings we find a decline of nearly a million dollars in the face of this heavy gain in gross, expenses having increased nearly 4½ million dollars. The question immediately arises, to what is this heavy augmentation in expenses attributable? The 10 per cent increase in mileage will explain only a small part of it. But perhaps the heavier expenses follow as the result of new competition and lower rates, thus raising the ratio of expenses to earnings. Examination does not quite bear out this supposition. Only \$1,120,000 of the \$4,400,000 increase in expenses occurs under the head of the cost of conducting transportation. On the other hand, motive power shows an increase of \$1,653,000, maintenance of way an increase of nearly \$1,000,000 and maintenance of cars an increase of \$567,000. Thus it would seem that the company had been much more liberal in making repairs and renewals than in the previous year. The point of uncertainty is as to whether the increase in this respect is permanent, or whether it is entirely exceptional and not likely to be repeated in the future. We need hardly say that only those in control of the property can settle that point definitely.

If we go one step further, and examine the figures of the separate companies, the result is much the same. It is on the Kansas & Texas, the Houston & Henderson and the International & Gt. Northern that the falling off in net earnings occurs. Thus the Kansas & Texas has net of only \$1,866,583, against \$3,322,890 in 1886; the Gt. Northern, net of \$693,395, against \$967,348, and the Houston & Henderson a deficiency below operating expenses of \$63,383, against net earnings of \$5,675. It is

undoubtedly true that all these roads have suffered heavily from new competition, especially from the Atchison, the St. Louis & San Francisco and the St. Louis Arkansas & Texas. And yet, it is a curious fact that in all these cases the changes in gross earnings have been slight, and the losses in net follow wholly from increased expenses. At the same time it is not to be denied that heavy expenses have become the rule of late, not alone among the South-western lines, but all over the country, as has been frequently pointed out in these columns.

It is only fair to say, too, that taking the Missouri Pacific system as a whole the result of the 1887 operations, is by no means as bad as current criticisms would lead one to believe. The comparison with the preceding year is unfavorable, but that follows almost wholly from the poor showing on the roads already mentioned—that is, the Kansas & Texas and its auxiliary lines. To give prominence to this fact, we have prepared the following detailed statement, showing at once the result on each individual road, and on the system as a whole. It will give a better idea of the operations of the company than any statement that has yet been published. We should say that in the case of the Central Branch Union Pacific we have had to estimate some of the items, the necessary information not being contained in the report—probably because the Missouri Pacific does not hold itself responsible for that road further than to pay over its net earnings.

	Gross Earnings.	Net Earnings.	Total Net Income.	Int., Tes., Div'ds & Rentals.	Surplus or Deficiency.	Result in 1886.
	\$	\$	\$	\$	\$	\$
Mo. Pacific & brs.	12,979,590	4,892,995	7,707,258	6,119,849	+1,587,412	-394,103
Iron Mountain...	8,331,823	3,483,393	8,601,895	4,050,449	-448,554	+1,038,905
Little R. & Ft. S.	683,754	207,450	293,561	221,864	+41,697	.....
Little Rock June.	40,892	40,282	40,282	35,700	+4,492	.....
Kansas & Texas.	7,366,723	1,866,583	1,908,457	3,307,293	-1,398,836	-636,041
Int. & Gt. No.	2,919,610	693,395	707,501	997,233	-290,732	+943,627
Houston & Hend.	408,525	def. 63,383	222,810	160,668	+42,151	+141,838
Sed. War. & So....	35,481	520	520	24,482	-23,962	+152,590
	32,775,398	10,921,241	14,452,293	14,817,595	-365,302	+1,043,266
Cent. Br. U. Pac.	1,439,400	457,082	491,192	*512,630	-51,438	+158,995
Whole System.	34,214,858	11,378,323	14,943,485	15,390,225	-416,740	+1,232,161

* These items same as in 1886; no information for 1887.

† This was the surplus after paying out \$100,000 in dividends; no dividend in 1887.

‡ This is the result on the Fort Scott & Wichita, which for 1886 was stated separately, but is now included in Missouri Pacific.

Thus the deficiency below charges and dividends on the entire combination of roads (including the Central Branch) is only \$416,740—not very large in itself, but comparing with a surplus of \$1,232,161 for 1886. Without the Central Branch the deficiency is \$365,302, as against a surplus of \$1,043,266 in 1886, the difference against the late year being \$1,408,568. This difference is more than accounted for in the changes that have occurred on the Kansas & Texas and the International & Great Northern. As a consequence of the diminished net earnings of these roads they have failed to earn their charges in the sum of \$1,588,533, while in 1886 the result on the same two roads was a surplus of \$309,616. It will be noticed that the Little Rock & Fort Smith and the Little Rock Junction both returned a small profit. It would seem as if the Iron Mountain, like the Kansas & Texas, had done very poorly as compared with 1886, it showing a deficit now of \$448,554, against a surplus then of \$1,038,805, but it is to be remembered that the alteration is almost entirely due to the fact that in 1887 a 5 per cent dividend was paid, while in 1886 nothing was paid. The large surplus on the Missouri Pacific proper follows in great part from the same circumstance—that is, it holds about \$22,000,000 of Iron Mountain stock, and received dividends on the same in 1887, but none in 1886. Even if we deduct the \$1,100,000 received from that source, however, the result is a surplus of \$487,412 for 1887, against a deficiency of \$294,103 in 1886—an

improvement of over three-quarters of a million, which must be considered quite satisfactory in view of the increased mileage of branch roads operated and the heavier charges which the company had to meet as a consequence.

There has been some criticism with reference to the unexplained character of the large item of about three millions income from investments, given in the income account of the Missouri Pacific proper, but we have found the officials of the road not unwilling to explain it. Of course, \$1,100,000 represents the Iron Mountain dividend, and the rest we are informed covers income from coal mines, express companies, sleeping cars, ferries, track rentals and credits from various investments. There has also been a heavy increase in the total of investments in stocks and bonds from which this income is received, this total now standing at over 44 millions, against a little over 26½ millions in 1886. The increase is caused mainly by the company keeping the bonds of branch roads and issuing its own bonds instead, the total of collateral trusts now out being \$14,302,000.

THE ILLINOIS CENTRAL.

The feature in the recent history of the Illinois Central is the growth of the system. Very quietly but with no less energy than in the case of other Western organizations the managers of the Illinois Central have been building and securing new connections and feeders for their lines, and in this respect the property is to-day in better position for commanding and holding traffic than ever before in its history.

Since the merger with the Southern line, the work has been very actively prosecuted, and as illustrating its extent it is only necessary to say that the company now owns and controls nearly a thousand miles of road more than it did only a few years ago. It is a common saying that in this country no railroad system is ever complete. It was supposed, however, that the Illinois Central by reason of its unique position as a longitudinal line—traffic in the United States usually following the parallels of latitude—might be exempt from the operation of this rule. But though there may not have been the same reason for extending mileage that many other large Western systems have had—that is, the Illinois Central not being forced into it through the stress of competition and in self-defense—yet the managers have deemed it desirable for the purpose of developing the traffic of the system.

For this purpose the extensions seem to have been well planned. They may be described briefly (1) as feeders to the Southern line, (2) as feeders to the Illinois Central proper, and (3) as feeders to the Iowa lines. As regards the latter, it is interesting to note the beneficial effects that have followed from the change from lease ownership to stock ownership. It is a well-known fact that these Iowa lines have yielded very indifferent results heretofore, their gross earnings in 1887 being only \$1,678,250, against \$1,850,127 twelve years before. It has always been supposed that by providing branches to these lines much better results might be obtained. But so long as the lines were operated under lease for a percentage of earnings, the Illinois Central was debarred from constructing such branches, since through the increase in earnings resulting from such a step it would simply be increasing the rental requirement under the lease. Now that this restriction no longer exists, the company has entered upon the work of providing the necessary feeders, and in a few weeks will have ready for traffic nearly 200 miles of additional road in Iowa. One of these branch roads is called

the Cedar Rapids & Chicago, and extends from Manchester to Cedar Rapids, 42 miles, and the other is called the Cherokee & Dakota and extends from Cherokee on the Iowa Falls & Sioux City, in the extreme northwestern part of the State, to Onawa in one direction and to Sioux Falls, Dakota, in the other. On traffic from this latter the haul will be very long.

At the same time the Chicago Madison & Northern is nearing completion. The primary object of this road is to furnish a connection between Chicago and the Iowa system, the Illinois Central now using the line of another road for that purpose and paying \$200,000 per annum for the privilege. But the Madison & Northern also extends to Madison, Wisconsin, with a branch to Dodgeville in the same State. As regards the branches in Illinois, like the Chicago Havana & Western and the Rantoul, and the branches in Mississippi like the Yazoo & Mississippi Valley and the Canton Aberdeen & Nashville, we have referred to them on previous occasions. The Mississippi & Tennessee now also forms part of the system, the Illinois Central owning nearly all the securities of that road. Here is a summary of the mileage of these various roads.

	Miles.		Miles.
Cherokee & Dakota.....	155	Canton Aberdeen & Nashville.....	108
Cedar Rapids & Chicago.....	42	Yazoo & Mississippi Valley.....	116
Chicago Madison & Northern.....	173	Mississippi & Tennessee.....	100
Branch to Dodgeville.....	57		
Chicago Havana & Western.....	131	Total.....	958
Rantoul.....	76		

When all these lines shall have been completed, the Illinois Central will operate about 2,900 miles of road, the mileage for the late year having been 2,355 miles and the average for 1886 only 2,089 miles. A bridge across the Ohio River at Cairo to cost \$2,500,000 is also being built, and with this finished the road will possess an unbroken line of rail communication between New Orleans and Chicago, and also a line all the way from New Orleans to Sioux Falls, Dakota, and likewise to the capital of Wisconsin at Madison.

All these expenditures have required a large amount of money. In 1887 alone the outlays on capital account reached \$13,851,434, \$6,052,015 of this, however, representing the cost of the purchase of the Dubuque & Sioux City and the Iowa Falls & Sioux City, which being the old Iowa leased lines we have not counted as new road. The company has pursued a very conservative course in the matter of raising the necessary funds, all the requirements during 1887 having been met by the issue of new stock, the capital now standing at 40 millions, against 29 millions a year ago. Further needs will be met out of the lately authorized issue of collateral trust 4 per cent gold bonds.

The most gratifying feature, however, about the Illinois Central's affairs is that in the face of the heavy expenditures for new acquisitions—some of which have not yet become productive—the company is able to make a very good exhibit of its operations for the late year. We give the report nearly in full on another page, so need not go into any extensive details. Suffice it to say that though the entire cost of transporting the materials for the construction of 400 miles of new road has been charged in operating expenses, yet net earnings in 1887 were larger than in the year preceding. And out of these net earnings the company paid 7 per cent dividends (3½ per cent on 30 millions stock and 3½ on 40 millions), besides contributing \$583,377 to improvements, and yet increased the surplus dividend fund from \$302,782 at the end of 1886 to \$436,356 at the end of 1887.

IMPORTS AND EXPORTS FOR FEBRUARY.

The Bureau of Statistics has issued its detailed statement of the foreign commerce of the country for the month of February, and the eight and twelve months ended with Feb. 29.

1888, as well as comparisons for the corresponding periods of the preceding year, as follows:

MERCHANDISE.			
	For the month of February.	For the 8 months ended Feb. 29-28.	For the 12 months ended Feb. 29-28.
1888.—Exports—Domestic.....	\$55,653,020	\$497,084,975	\$696,421,196
Foreign.....	1,030,798	7,560,833	12,303,948
Total.....	\$56,683,818	\$504,645,808	\$708,725,144
Imports.....	66,876,800	476,728,591	723,101,861
Excess of exports over imports.....	\$10,192,982	\$27,917,217	\$14,376,717
1887.—Exports—Domestic.....	\$53,941,785	\$503,686,702	\$716,432,688
Foreign.....	834,604	8,417,173	13,388,912
Total.....	\$54,776,389	\$512,103,875	\$729,821,600
Imports.....	59,155,768	445,946,498	670,434,851
Excess of exports over imports.....	\$4,379,379	\$66,157,377	\$59,386,749

GOLD AND SILVER—COIN AND BULLION.			
1888.—Exports—Gold—Domestic.....	\$197,505	\$2,481,606	\$4,194,692
Foreign.....	1,69,513	1,903,860	5,046,531
Total.....	\$1,667,018	\$4,385,466	\$9,241,223
Silver—Domestic.....	\$1,692,443	\$13,828,931	\$20,107,992
Foreign.....	425,498	5,820,156	7,514,328
Total.....	\$2,117,941	\$19,649,087	\$27,622,320
Total exports.....	\$3,784,959	\$24,034,553	\$36,863,543
Imports—Gold.....	\$1,014,668	\$40,303,364	\$42,619,799
Silver.....	1,170,100	11,611,108	16,612,384
Total.....	\$2,184,768	\$51,914,472	\$59,232,183
Excess of exports over imports.....	\$1,600,431	\$27,879,919	\$22,368,640
1887.—Exports—Gold—Domestic.....	\$1,232,373	\$3,992,218	\$27,776,062
Foreign.....	445,024	853,212	7,577,567
Total.....	\$1,677,397	\$4,845,430	\$35,353,629
Silver—Domestic.....	\$1,726,537	\$10,725,975	\$15,635,488
Foreign.....	624,610	7,597,296	10,778,746
Total.....	\$2,351,147	\$18,323,271	\$26,414,234
Total exports.....	\$4,028,544	\$23,168,701	\$61,767,863
Imports—Gold.....	\$143,611	\$40,594,166	\$42,296,495
Silver.....	1,332,510	12,258,915	17,579,992
Total.....	\$1,476,121	\$52,853,081	\$59,876,487
Excess of exports over imports.....	\$2,552,423	\$23,684,380	\$1,891,376

TOTAL MERCHANDISE AND COIN AND BULLION.			
1888.—Exports—Domestic.....	\$57,543,008	\$513,395,512	\$720,723,880
Foreign.....	2,925,409	15,284,849	24,864,807
Total.....	\$60,468,417	\$528,680,361	\$745,588,687
Imports.....	69,060,968	528,643,063	782,334,044
Excess of exports over imports.....	\$8,592,551	\$37,298	\$36,745,357
1887.—Exports—Domestic.....	\$56,900,695	\$518,404,895	\$759,844,238
Foreign.....	1,904,238	16,867,611	31,745,225
Total.....	\$58,804,933	\$535,272,576	\$791,589,463
Imports.....	60,631,889	498,799,579	730,311,338
Excess of exports over imports.....	\$1,326,956	\$36,472,997	\$61,278,125

IMPORTS AND EXPORTS BY PRINCIPAL CUSTOMS DISTRICTS.						
CUSTOMS DISTRICTS AND PORTS.	FEBRUARY, 1888.		IMPORTS.		EXPORTS.	
			8 months ending Feb. 29-28.		8 months ending Feb. 29-28.	
	Imports.	Exports.	1888.	1887.	1888.	1887.
	\$	\$			\$	\$
Baltimore, Md.	848,786	4,879,985	7,672,547	7,775,944	32,520,795	35,731,690
Boston, Mass.	5,339,775	4,659,617	38,911,258	43,687,381	38,186,885	41,191,914
Buffalo, N. Y.	416,286	32,896	4,532,658	4,532,658	310,315	370,712
Champlain, N. Y.	196,308	77,900	2,709,161	2,120,782	1,162,598	1,251,508
Charleston, S. C.	34,774	1,070,430	315,632	438,795	13,708,061	12,951,833
Chicago, Ill.	1,021,712	1,485	9,103,700	9,235,957	1,162,067	1,020,138
Cincinnati, O.	279,809		1,571,708	1,710,888	2,984,018	2,984,018
Detroit, Mich.	208,629	231,067	2,006,363	1,943,474	15,206,304	17,103,293
Duluth, Minn.			126,346	58,871	5,244,502	1,768,282
Galveston, Tex.	97,967	308,525	591,270	410,413	15,206,304	17,103,293
Hamlet, Wis.	41,714		418,784	418,784		
Minneapolis, Minn.	69,819	40,232	1,550,889	1,369,650	534,024	522,485
Mobile, Ala.	1,022	423,534	45,670	26,113	3,303,585	1,776,301
New Orleans, La.	1,090,181	7,239,652	6,983,900	8,247,031	50,104,195	59,608,890
New York, N. Y.	44,783,638	29,342,357	315,141,010	295,651,205	210,311,955	215,884,701
Niagara, N. Y.	375,080	46,105	2,923,975	2,554,474	415,540	596,525
Norfolk, Va.	15,015	545,329	89,161	91,317	10,924,142	13,486,875
Orleans, La.	1,945	27,384	9,614	115,093	1,130,530	1,326,896
Oregon, Ore.	107,173	106,569	1,712,148	1,712,148	1,712,148	1,712,148
Oswego, N. Y.			4,265,460	3,870,680	1,390,205	1,026,726
Philadelphia, Pa.	4,789,535	2,154,999	26,060,801	24,694,080	20,204,236	23,165,023
Portland, Me.	31,316	47,636	683,850	1,009,340	1,333,283	1,449,401
St. Louis, Mo.	263,839		1,698,785	2,134,993		
San Fran., Cal.	4,710,883	2,440,109	27,946,754	25,192,118	20,778,160	24,313,672
Savannah, Ga.	27,097	1,630,370	200,960	188,472	18,460,067	20,099,062
Yonkers, N. Y.	464,924	157,880	4,246,168	3,630,127	966,770	1,117,627
Wilmington, Del.	20,072	828,466	238,441	3,078,704	3,078,704	3,078,704
Wilmington, N. C.	27,079	452,472	106,914	107,736	6,383,171	5,825,875
Yonkers, N. Y.	56,489	891,864	370,876	79,053	6,914,654	5,384,775

Remaining in warehouse February 28, 1887.....	\$30,577,625
Remaining in warehouse February 29, 1888.....	\$32,603,607

Interior ports to which merchandise can be transported without appraisal, under act of June 10, 1880.
 The complete in the absence of law providing the means of collecting the statistics of exports to adjacent foreign territory by railroad cars and other land vehicles.

Monetary and Commercial English News

[From our own correspondent.]

LONDON, March 10, 1888.

Two events of importance have occurred this week, one being the introduction into Parliament of Mr. Goschen's bill for the conversion of the British debt, the other the death of the Emperor of Germany. The latter event was generally looked forward to with a considerable amount of apprehen-

sion in Stock Exchange quarters, as it was feared that the death of the Emperor would be the signal for a general downfall in the prices of Government and other securities. But, quite contrary to expectation, the markets were rather steadied than depressed by it. So many operators had anticipated events and had "protected" themselves against adverse movements in the stock markets, that there was a large speculation for the fall in force, and actually on the arrival in London of news from Berlin of the decease of the Emperor, European Government securities hardened in price. The certainty of an early breaking-up of the health of the Emperor has for a long time past been hanging over the market, and has deterred both investment and speculative business. With the knowledge that the conversion of the British debt was at hand, investors have been transferring their cash from home Government securities to colonial, municipal and railway bonds, and other approved securities, till prices in many instances have reached unprecedented and almost prohibitive figures. But all through this shifting of investments, foreign government securities with rare exceptions have been eschewed, and instead of an improvement in prices we have had quotations materially lower in some cases than they were a year ago. Now the great anxiety of the market is whether or not the Crown Prince—for he still is spoken of as the Crown Prince although he has assumed the dignity of Emperor—will long survive his father.

This week the British funds, measured by the price of 2½ per cent stock, reached the highest quotation in the history of the nation, security having been quoted at 98, a price which ten or fifteen years ago was considered abnormally high for British 3 per cents; but the afternoon of March 9 Mr. Goschen, the Chancellor of the Exchequer, brought forward in Parliament his conversion scheme, by which about £560,000,000 of English 3 per cent debt is proposed to be converted for a period of fifteen years into 2½ per cent stock, and then becomes for a further guaranteed period of twenty years a 2½ per cent stock. In case the conversion is carried out in its entirety, the saving to the nation will be £1,400,000 per annum for fifteen years, and thereafter double that amount, or £2,800,000 a year. The taxpayer naturally welcomes the conversion as likely to relieve him of a sum equal to about a penny halfpenny in the £1 income tax, but the investor and trustee naturally dislike a measure which cuts down so considerably the interest received from Government securities. For the ordinary investor who is dealing with his own money there is nothing to be said. He may complain he has lost a safe security giving him nearly 3 per cent, but he cannot complain of injustice, for in case he objects to the reduced rate of interest he is free to receive the principal due him and to invest it as he chooses. For trustees, on the other hand, there is a certain amount of real hardship, because by the laws of the land the range of securities in which they are permitted to invest is a very narrow one, including few securities outside British consols or funded debt. The trustee who has his £100 tendered him is in effect informed that he must take 2½ per cent and a few years hence 2½ per cent. What seems desirable is that the Government, now that the Empire has extended its territory, should permit investments, under certain conditions, in colonial securities or in the debenture stocks of home railway companies which have paid a dividend of say not less than 3 per cent per annum for a certain number of years.

The general opinion in city quarters is that Mr. Goschen will be able to carry his scheme through. He has evidently taken the precaution to secure for the Government the option of paying off non-assenting stockholders a year hence, or at such time as the legal notice of repayment expires, or repaying at any time thereafter convenient to the Government. In other words a non-assenting stockholder may receive the cash he is entitled to, or the Government may say "it is inconvenient for us to pay you just now," and it may subsequently offer him the cash without further notice. It had been expected in some quarters that an arrangement would be made with the bankers for funds with which to pay off persons not assenting to the conversion. There is no evidence, however, that any such arrangement has been made; but the Chancellor of the Exchequer has been alive to the importance of offering a small commission to those parties who may take the trouble to tender their stock for conversion.

Money remains very easy, and discount rates have again declined, first-class three months' bank bills being again negotiated at 1½ per cent and under. The deposit rates of the

\$5,709,086 last week and \$6,069,307 two weeks previous. The following are the imports at New York for the week ending (for dry goods) March 15 and for the week ending (for general merchandise) March 16; also, total since the beginning of the first week in January:

FOREIGN IMPORTS AT NEW YORK.

For Week.	1885.	1886.	1887.	1888.
Dry Goods.....	\$2,335,603	\$2,927,067	\$2,460,188	\$2,726,344
Gen'l mer'dise..	5,408,049	6,269,323	6,080,892	5,644,174
Total.....	\$7,743,652	\$9,196,390	\$8,541,080	\$8,370,518
Since Jan. 1.				
Dry Goods.....	\$25,743,407	\$30,405,009	\$33,058,664	\$35,567,236
Gen'l mer'dise..	54,600,340	63,792,040	66,289,129	71,673,746
Total 11 weeks.	\$80,343,747	\$94,197,049	\$99,347,793	\$107,240,982

In our report of the dry goods trade will be found the imports of dry goods for one week later.

The following is a statement of the exports (exclusive of specie) from the port of New York to foreign ports for the week ending March 20, 1888, and from January 1 to date:

EXPORTS FROM NEW YORK.

	1885.	1886.	1887.	1888.
For the week....	\$5,907,268	\$6,113,632	\$6,553,397	\$4,686,306
Prev. reported..	66,294,106	56,115,707	59,001,312	59,520,747
Total 11 weeks.	\$72,206,374	\$62,229,339	\$65,554,709	\$64,207,053

The following table shows the exports and imports of specie at the port of New York for the week ending March 17, and since January 1, 1888, and for the corresponding periods in 1887 and 1886.

EXPORTS AND IMPORTS OF SPECIE AT NEW YORK.

Gold.	Exports.		Imports.	
	Week.	Since Jan. 1.	Week.	Since Jan. 1.
Great Britain.....	\$.....	\$58,461	\$.....	\$1,768
France.....		7,100	409,070	1,461,928
Germany.....		1,248	2,432	427,632
West Indies.....	406,660	2,976,118	2,250	50,368
Mexico.....				5,183
South America.....		89,219	30,000	86,842
All other countries..	3,000	22,433	10,680	92,484
Total 1888.....	\$409,660	\$3,154,579	\$454,433	\$2,126,205
Total 1887.....	121,806	3,222,371	506,008	3,636,766
Total 1886.....	4,711,258	15,428,127	154,677	2,024,590
Silver.	Exports.		Imports.	
	Week.	Since Jan. 1.	Week.	Since Jan. 1.
Great Britain.....	\$84,000	\$2,422,430	\$.....	\$12
France.....		96,100	3,860	105,764
Germany.....		1,900		9,013
West Indies.....		51,553	816	129,019
Mexico.....				5,667
South America.....		24,567		7,744
All other countries..	48,300	205,373	84,139	282,840
Total 1888.....	\$132,300	\$2,801,928	\$88,815	\$540,059
Total 1887.....	40,970	1,849,140	42,921	409,660
Total 1886.....	236,404	3,210,615	54,923	249,935

Of the above imports for the week in 1888, \$32,434 were American gold coin and \$4,431 American silver coin. Of the exports during the same time \$3,000 were American gold coin and \$100 were American silver coin.

Central Iowa.—The Central Iowa (Illinois Division) was sold in foreclosure on the 17th inst. to James Munson of New York. The price paid was \$300,000. The road runs from Peoria to Keithsburg, on the Mississippi, west of the Peoria connections of the Iowa Division of the Central Iowa road, crossing the Mississippi at Keithsburg.

Chicago Milwaukee & St. Paul.—Press dispatches state that the contract for building an extension from Chamberlain, D. T., 170 miles, to the Black Hills, has been let to Major Allen of Mason City, Iowa. Chamberlain is the present western terminus of the Iowa & Dakota Division, 722 miles from Chicago.

Chicago St. Louis & Pittsburg.—The annual report for 1887 will show the following: Gross earnings, \$5,897,180, an increase of \$1,044,864 over 1886; expenses, \$4,311,164, an increase of \$344,563. The operating expenses absorbed 73 per cent of the gross earnings, against 82 per cent in 1886. The net earnings for 1887 were \$1,576,015. The year's charges against which were, for interest on bonds, &c., \$1,236,017, leaving a surplus for 1887 of \$339,993, against a loss for 1886 of \$315,119, showing a gain for the year of \$655,117.

Dayton Fort Wayne & Chicago.—At Dayton, Ohio, March 19, a receiver was finally appointed for this road. The Court appointed R. D. Marshall receiver, and ordered him to prepare a bond of \$50,000 and immediately assume control of the property of the road, which he did.

Duluth & Iron Range.—The extension from Tower to the Chandler mine, 21 miles, will be completed April 1 and put in operation about June 1.

Flint & Pere Marquette.—A dispatch from Detroit states that the Court's decision is in favor of the common stockholders in both the Mackintosh and Parker suits. The Court finds that the common holders are entitled to the issue of their stock as of Jan. 1, 1886, and orders the issuing of the shares, also injunction forbidding the company to deny the right of common stock to vote now, payment of back dividend of 5 per cent on preferred stock ordered paid out of land

funds or any other funds which may be applicable. In the Parker suit the Court forbids the purchase of the Port Huron road in accordance with prayer of complainants.

As this is the first press dispatch it is desirable to await mail advices to ascertain the particulars with certainty.

Lehigh Valley.—The Phila. *Ledger* states, on authority of the officers of this company, that at the close of the fiscal year November 30th last the floating debt was less than the cash in hand. This debt, as it matures, will be paid off from the new stock capital. The other principal items of expenditure, as thus far announced, chargeable to the new stock, are said to be: New road on Wilkesbarre Mountain, \$509,000; new road between Roselle and South Plainfield, N. J., \$400,000; Jersey City Water front, recently acquired, \$450,000; wharves, freight houses and elevator at Jersey City, \$500,000; Buffalo terminals, \$500,000; locomotive and car equipment, \$1,000,000; steel steamers for lake service, \$500,000. This makes a total of \$4,150,000.

Missouri Kansas & Texas.—Over 200,000 shares of Missouri Kansas & Texas stock and a large amount of the bonds were represented at a meeting in the office of Edward Sweet & Co., No. 38 Broad Street. Mr. R. V. Martensen, chairman of the Amsterdam committee of investigation, was present.

Mr. Martensen and others reported the results of their investigations. They estimated that during the last year Missouri Kansas & Texas had been wrongfully deprived of at least \$1,000,000 through manipulation of the traffic in favor of the Missouri Pacific Company. Of the 460,000 shares of stock outstanding nearly one-half were represented at the meeting, and enough more it was thought could easily be obtained to give control of the company.

It was resolved to issue a call for a public meeting of the stock and bond holders next Monday afternoon at three o'clock.

Nashville Chattanooga & St. Louis.—The statement for February and the eight months ending February 23 shows the following:

	February.		July 1 to Feb. 29.	
	1888.	1887.	1888.	1887.
Gross earnings.....	\$248,435	\$249,461	\$2,121,279	\$1,811,524
Operating expenses.....	146,535	136,024	1,187,119	1,039,507
Net earnings.....	\$102,300	\$113,437	\$934,160	\$772,017
Interest and taxes.....	\$62,734	\$61,364	\$498,942	\$478,798
Improvements.....	12,934	17,807	92,512	62,371
Total.....	\$75,668	\$79,171	\$591,454	\$541,169
Surplus.....	\$26,632	\$34,266	\$342,706	\$230,848

Philadelphia & Erie.—The Philadelphia & Erie Railroad \$3,000,000 7 per cent loan, which falls due July 1st, it is stated will be extended at 4 per cent in bonds running until 1920. The holders of the maturing loan will be given until May 15th the option of extending, and those doing so will have the coupon due July 1st cashed on May 15th in full, the interest on the new 4s beginning on July 1st.

Rome & Decatur.—The bondholders' reorganization plan, published some time ago, has been successfully carried through, and the work of building the road as originally proposed has been commenced. Construction is to be paid for by the issue of receiver's certificates to such an amount as is necessary. President Edwards, of the Bank of the State of New York, who is chairman of the Bondholders' Committee, will issue the certificates in such amounts and at such times as the contractors' arrangement with the receiver stipulates.

Wells, Fargo & Co.—Erie—The Wells, Fargo Express Company has purchased the Erie Express Company, and entered into a fifteen years' contract for the control of the express business over the New York Lake Erie & Western Railroad and its subsidiary and leased lines. The Erie Company made a transfer of all the property of its express department to the Wells, Fargo Company at a valuation to be determined by appraisers. The value of the property is estimated at from \$250,000 to \$300,000.

Wheeling & Lake Erie.—The stockholders have voted to make the present stock preferred. A meeting of directors is expected to be called within a few days to name a time for making an exchange.

—The Ontario Silver Mining Company has declared its one hundred and forty-second dividend, for February, of 50 cents per share or \$75,000, payable at the transfer agency of Messrs. Lounsbury & Co. on the 31st inst.

—The old Stock Exchange firm of Lawrence Bros. & Co. has been dissolved and a new partnership formed under the firm name of Cyrus J. Lawrence & Sons, with offices at No. 31 Broad Street.

Banking and Financial.

CLEVELAND & CANTON RAILROAD CO.

1ST MORTGAGE 30-YEAR 5 PER CENT BONDS.

TOTAL ISSUE, \$2,000,000.

RATE, \$12,500 PER MILE.

VALUE OF PROPERTY COVERED, \$8,000,000

Price, 92½ and Interest.

FOR SALE BY

COFFIN & STANTON, Bankers,

11 WALL ST., NEW YORK.

The Bankers' Gazette.

DIVIDENDS:

The following dividends have recently been announced:

Name of Company.	Per Cent.	When Payable.	Books Closed, (Days inclusive.)
Railroads.			
Charters.....	2½	April 2	Mar. 21 to —
Evansville & Terre Haute (quar.)	1½	April 17	April 4 to April 17
Georgia RR. & Banking (quar.)	2½	April 15	April 2 to April 15
Providence & Worcester (quar.)	2½	Mar. 31	Mar. 22 to April 1
Utica & Black River (quar.)	2½	March.	Mar. 21 to Mar. 30
Bank.			
Chatham National (quar.)	3	April 2	Mar. 24 to April 1
Miscellaneous			
Gen. & So. American Tel. (quar.)	1½	April 7	—
Equitable Gas (quar.)	2	April 16	April 3 to Apr. 16
New Central Coal	1	April 10	April 3 to Apr. 10

WALL STREET, FRIDAY, March 23, 1888—5 P. M.

The Money Market and Financial Situation.—The Street has been more interesting this week, and almost anything seems more agreeable than the intolerable stagnation which for so long has characterized our market.

It is true that there has been a decline in prices, but this was not very heavy except in one particular group of stocks, the Gould specialties, and as the public could not know much about those before their annual reports were out, it was best to have the documents issued and the uncertainty done with. The most striking points in those reports are these: 1. The receipt of \$3,014,262 by Missouri Pacific from dividends, &c., accounted for by \$1,100,000 from Iron Mountain stock, \$1,000,000 from coal, express, ferry and sleeping car companies and track rentals, and the balance from miscellaneous investments. 2. An increase of \$17,678,000 in the amount of stocks and bonds owned, accounted for by \$14,309,000 of the securities of new roads pledged in the Collateral Trust, and the balance by other similar securities in the treasury of the company. 3. The decrease in cash on hand Dec. 31, 1887, of \$2,114,414, accounted for by the fact that on Dec. 31, 1886, large amounts from instalments paid on new stock were then in hand. 4. The large amount of \$5,547,948 on Dec. 31, 1887, due from uncollected accounts, which is explained by balances due from agents and conductors, Post-office and War Department, from companies and individuals, and by the very important item of advances towards the completion of new lines which advances were presumably large, though the precise amount is not known. The Missouri Kansas & Texas shows a deficiency for the year of \$1,298,805 after paying its bonded interest.

No reports of the earnings of these roads have been issued from month to month during the year, and the fact must have been patent to all our readers that in this respect they were different from most of the roads whose securities are sold at the Board.

The open market rates for call loans during the week on stock and bond collaterals have ranged from 1½ to 3 per cent, and to-day the rates were 2@3 per cent. Prime commercial paper is quoted at 4½@6 per cent.

The Bank of England weekly statement on Thursday showed a gain in specie of £133,000, and the percentage of reserve to liabilities was 44·81, against 44·43 last week; the discount rate remains unchanged at 2 per cent. The Bank of France gained 1,875,000 francs in gold and 4,075,000 francs in silver.

The New York Clearing House banks in their statement of March 17 showed a decrease in surplus reserve of \$1,475,050, the total surplus being \$10,012,250, against \$11,487,300 the previous week.

The following table shows the changes from the previous week and a comparison with the two preceding years in the averages of the New York Clearing House banks:

	1888. March 17.	Diff'rence fr'm Prev. Week.	1887. March 19.	1886. March 20.
Loans and disc'ts.	\$369,695,400	Inc. 498,300	\$368,811,500	\$359,685,300
Specie.....	72,798,700	Dec. 1,593,600	82,852,600	84,189,100
Circulation.....	7,622,700	Dec. 9,800	7,658,900	7,816,100
Net deposits.....	377,657,000	Dec. 500,600	382,141,600	391,137,200
Legal tenders.....	31,627,800	Dec. 6,600	20,018,900	31,103,000
Legal reserve.....	94,414,250	Dec. 125,150	95,536,150	97,859,300
Reserve held.....	104,426,500	Dec. 1,600,200	102,871,500	115,212,100
Surplus.....	10,012,250	Dec. 1,475,050	7,335,350	17,412,800

Exchange.—Sterling exchange has been quite active the past week, the demand having been brisk on several days. Commercial bills have been scarce, and the supply of security bills has been readily absorbed, and these facts have added their influence to keeping the market strong. Some of the leading drawers advanced their posted rates on Wednesday &c., to 4 86½ and 4 88½, these figures having been quoted, however, by several bankers for some time past. An arrival of a small amount of gold from France was reported, but it was regarded as exceptional and had no significance in the exchange market.

To-day the rates on actual business were as follows, viz.: Bankers' 60 days' sterling, 4 86½@4 86½; demand, 4 87½@4 88. Cables, 4 88@4 88½. Commercial bills were 4 84½@4 85. Continental bills were: Francs, 5 20@5 20½ and 5 18½@5 18½; reichmarks, 95½ and 95½; guilders, 40½@40½ and 40½@40½.

The following were the rates of domestic exchange on New York at the under-mentioned cities to-day: Savannah, buying ½ premium; selling 3-16@½ premium; Charleston, buying ½ premium; selling ½ premium; New Orleans, commercial, 75c. premium; bank, par; St. Louis, 75@90c. premium; Chicago, 25c. premium.

The rates of leading bankers are as follows:

	March 23.	Sixty Days.	Demand.
Prime bankers' sterling bills on London..	4 86½	4 88½	4 88½
Prime commercial.....	4 84½@4 85½	.....	.....
Documentary commercial.....	4 84½@4 85	.....	.....
Paris (francs).....	5 20 @ 5 19½	5 18½@5 17½	.....
Amsterdam (guilders).....	40½ @ 40½	40½@40½	.....
Frankfort or Bremen (reichmarks).....	95½ @ 95½	95½@95½	.....

United States Bonds.—Government bonds continue quite dull, the transactions of the week having again been very limited. Prices have remained almost stationary and are about the same as a week ago.

The closing prices at the N. Y. Board have been as follows:—

	Interest Periods	Mar. 17.	Mar. 19.	Mar. 20.	Mar. 21.	Mar. 22.	Mar. 23.
4½s, 1891.....reg.	Q.-Mar.	*106½	*106½	*106½	*106½	*106½	*106½
4½s, 1891.....coup.	Q.-Mar.	*106½	*106½	*106½	*106½	*106½	*106½
4s, 1907.....reg.	Q.-Jan.	124½	124½	124½	124½	124½	124½
4s, 1907.....coup.	Q.-Jan.	125½	125½	125½	125½	125½	125½
6s, cur'cy, '95.....reg.	J. & J.	120	120	120	120	120	120
6s, cur'cy, '96.....reg.	J. & J.	122	122	122	122	122	122
6s, cur'cy, '97.....reg.	J. & J.	124½	124	124	124	124	124½
6s, cur'cy, '98.....reg.	J. & J.	127½	127	127	127	127	127½
6s, cur'cy, '99.....reg.	J. & J.	129½	129½	129½	129½	129½	129½

* This is the price bid at the morning board; no sale was made.

State and Railroad Bonds.—State bonds have been neglected at the Board, the transactions not having been sufficient to make a quotable market.

Railroad bonds have been moderately active, the volume of business improving a little with a more active stock market. The tone of the market for bonds has been irregular and unsettled, some of the leading classes being weak, in sympathy with the decline in stocks, while the choice higher-priced bonds are, as a rule, well held. The weakest bonds have been the Missouri Kansas & Texas 5s, 6s and 7s, which have gone down several points in sympathy with the declining tendency of the Gould stocks. Other issues of bonds declined with these, though not so much, and showed a fair reactionary tendency, with the recovery in the stock market.

Railroad and Miscellaneous Stocks.—The stock market has been treated to a bear movement this week, and prices for nearly every stock on the list fell off at one time to the lowest point of the current year. The declining tendency commenced on Saturday, the 17th, when various unsettling rumors about a spread of the Western strike, &c., &c., were circulated, causing a slight loss in values throughout the list. On Monday the market was much improved, and a very fair recovery in prices took place, the principal stimulus being the collapse of the Atchison strike and a growing belief that the strike on the C. B. & Q. would soon be ended. The better tone did not last long, however, as on Tuesday a selling movement was inaugurated, which was continued almost uninterruptedly until Thursday noon. The starting point in this case was Missouri Pacific, which declined sharply from 84½ on Monday to 73½ on Thursday. The immediate cause of this selling on such a large scale was said to be the uncertainty in regard to the dividend, some of the directors being in favor of passing it altogether, while others favored a continuation of the old rate, or only a slight reduction. Some unexplained items of very large amount in the annual report also helped the decline; but back of these things, and more important than all of them, was the usual mystery attending the transactions in this stock. Under the above influence the whole market declined more or less sharply until Thursday noon, when the decline was arrested and prices began to recover, and on Thursday night nearly every leading stock closed higher than it opened on that day.

The Burlington strike seems to be nearing its close and the restoration of rates on the Western roads is reported now as practically agreed to, so that with these two difficulties out of the way the outlook will be vastly improved. There was considerable demoralization in the market at one time and a free selling of both long and short stocks. Beside the Gould stocks, the most conspicuous have been New England, Union Pacific and Reading, the latter having had specially large sales. The other coal stocks and the grangers were not relatively as active as the rest of the list.

To-day there was less excitement in the market, but the result was not favorable to the long side, as prices generally closed easier, with Lake Shore at 89; Erie, 23½; Union Pacific, 51½; Northwest, 106½; St. Paul, 74½; New England, 31½; Reading, 59½; Missouri Pacific, 75; M. K. & T., 11½; Western Union, 73½.

ing: Little Rock Mississippi River & Texas Railway, Little Rock to Arkansas City, Ark., 113 miles; with branch to Warren, Ark., 49 miles, acquired by purchase April 1, 1887—163 miles. Memphis Branch, Bald Knob to Wynne, Ark. (13 miles built in 1886, received for operation Jan. 1, 1887; 33 miles, constructed and received for operation during 1887)—45 miles.

White River Branch Extension, Batesville to Cashman, Ark., constructed in 1886, received for operation Jan. 1, 1887, 12 miles.

The Little Rock & Fort Smith Railway, extending from Little Rock to Fort Smith and Van Buren, Ark., was operated in connection with the St. Louis Iron Mountain & Southern Railway from August 1, 1887, although not an integral part of that road, and its earnings and expenses for the entire year are shown separately.

The Missouri Kansas & Texas Railway increased the mileage of its Texas division 235 miles, average 153 miles, by construction of the Taylor Basrop & Houston Railway, 103 miles; Dallas & Greenville Railway, 52 miles; Gainesville Henrietta & Western, 70 miles.

The total mileage added to the Missouri Pacific system during the year was 2,137 miles, in addition to the Little Rock & Fort Smith Railway acquired and operated as an independent property, 170 miles.

Of the new mileage added, 292 miles were acquired by purchase, 804 miles by purchase and reorganization of the Fort Scott Wichita & Western Railway (13 miles of which were constructed during the year), 1,004 miles by construction and 537 miles by operation of lines constructed prior to 1887.

A large mileage of newly-constructed lines, completed wholly or in part at the close of the year, are not included in the reports of operation, being still in the hands of contractors and producing no revenue to the company.

The report says: "The gross earnings of the Missouri Pacific Railway, proper,—1273 miles, increase 170 miles—indicate a healthy growth both in the gross and net revenues of the property. The gross earnings were \$11,105,068, an increase of \$2,733,968. The operating expenses were \$6,638,843, equal to 59.78 per cent, against 59.03 per cent in 1886; the net earnings were \$4,466,224, an increase of \$1,033,166.

"The Missouri Pacific branch lines, although composed of newly constructed roads, many of which were opened for business late in the year, and not expected to produce their full quota of revenue either from local or through traffic, nevertheless produced net earnings amounting to \$226,770 after payment of operating expenses and the considerable expenditures which were found necessary to complete their terminal facilities and improve their roadbed. This surplus was carried to the credit of income account of the Missouri Pacific Railway Company.

"The gross earnings of the St. Louis Iron Mountain & Southern Railway were \$8,331,832, an increase of \$1,020,210; the operating expenses were equal to 58.19 per cent, against 52.91 per cent in 1886; the net earnings were \$3,483,392, an increase of \$40,112. The competition of new routes and reduction of rates affected the gross earnings of this property; although its heavy local traffic enabled it to nearly maintain an equality in gross revenue per mile compared with the previous year. The completion of the Memphis Branch was delayed by difficulties of construction, but will be opened during the coming spring, adding an important terminal and junction point, and establishing a new route for traffic. The connection under construction from Fort Smith, Ark., to Wagoner, Indian Territory, will also open a new route from Kansas which will permanently add to the productive power of this property.

"The gross earnings of the Missouri Kansas & Texas Railway were \$7,366,723, a decrease of \$4,920 compared with the previous year, principally due to the opening of two new lines through the Indian Territory parallel with it, and competing for through business to all the principal points in the State of Texas: The St. Louis & San Francisco Railway on the east, by the completion of its line from Ft. Smith to Paris, Tex., connecting at that point with the Gulf Colorado & Santa Fe and the Texas & Pacific railways; the Atchison Topeka & Santa Fe Railway on the west, by the completion of its line through Purcell, Indian Territory, to a connection with the Gulf Colorado & Santa Fe system in Texas." * * *

"The operating expenses were \$5,500,140, an increase of \$1,271,386, due to the operation of additional mileage, physical improvement of the line and repairs of equipment, the latter especially having become deteriorated to an extent which rendered immediate and extensive expenditures an absolute necessity; largely from this cause the increase in expenses of motive power was \$423,545, and the increase in expenses of maintenance of cars, \$126,511. The increase of \$234,953 in expenses of conducting transportation was not greatly in excess of the percentage of increased mileage and increased service of cars and engines. The expenses of maintenance of way were increased \$473,779, the larger portion being on the Texas Division, and including \$121,767 in betterments and extraordinary expenses, principally in ballasting and completing new lines, construction of telegraph lines, side tracks and change of gauge of Jefferson section. Chiefly from these causes, the percentage of operating expenses of this property was 74.66 per cent, against 59.75 per cent in 1886.

"The gross earnings of the International & Great Northern Railroad were \$2,919,609, a decrease of \$6,256, with an increase in tonnage of 26 per cent, and an increase in car mileage of 20 per cent. The increase in expenses of conducting

transportation was \$74,712; increase in expenses of maintenance of way, \$1,555; increase in expenses of maintenance of cars, \$15,603. The expenses of motive power exhibit an increase of \$173,980, necessitated by extensive repairs of locomotives, thirty-one engines having been rebuilt at a cost of \$123,922, and repairs made upon others amounting to \$78,837; an increase in total expenditures upon engines of \$91,637. The operating expenses were 76.25 per cent, against 67.01 per cent in 1886.

"The gross earnings of the Galveston Houston & Henderson Railway, fifty miles, including credits from rental of tracks, were \$637,236; operating expenses, 471,907, equal to 74.05 per cent; net earnings, \$165,379.

"The net earnings of the Central Branch Union Pacific Railroad were \$457,082, a decrease of \$357,996, due to the failure of the grain crop in Northern Kansas, the prevalence of lower rates, and increased expenses in maintenance of way."

"The amount expended on all the roads for betterments and extraordinary expenditures, included in operating expenses, during the year 1887 was \$689,602, an increase of \$186,125 over 1886." * * *

"The new lines constructed during the past year have been of an important character in the development of new territory and the establishment of new sources of traffic for the system. Important terminal points have been reached by the new lines completed and under construction, notably Pueblo, Colorado; Memphis, Tenn.; Arkansas City, Ft. Smith and Van Buren Arkansas; Hastings, Crete and Nebraska City, Nebraska; Topeka, Hutchinson, Larned and Arkansas City, Kansas, and Hillsboro, Lockhart and Henrietta, Texas.

"The grading and bridging of the unfinished lines was practically completed, and tracklaying actively in progress at the close of the year, and will be finished early in the present season, completing the construction of 561 miles on lines reported unfinished at the close of 1887." * * *

LAND DEPARTMENT.

The operations of the land department of the St. Louis Iron Mountain & Southern and Little Rock & Fort Smith Railways during the year are shown in the following table:

	St. L. I. M. & S. Ry.	L. R. & Ft. S.
	Mo. Div.	Ark. Div.
No. of acres sold during 1887.....	3,017	49,577
Average price per acre in 1887.....	\$3.28	\$3.04
No. of acres unsold Dec. 31, 1887.....	107,999	847,270
Total amount of sales, including town lots in 1887.....	10,517	156,360
Cash received during 1887.....	13,147	126,869
Notes received during 1887.....	4,944	106,070
Gross receipts of department since commencement.....	177,760	3,445,001
Gross expenses of department since commencement.....	86,828	891,959
Notes receiv'd outstanding Dec. 31, 1887.....	15,909	628,338

The earnings, expenses, income account and general balance of the different companies for three years have been fully compiled for the CHRONICLE as below. The mileage at the close of the year on which the earnings are based is given. It will be noticed that the Missouri Pacific statement includes the branches, the gross earnings of which in 1886 were only \$297,681, against \$1,874,521 in 1887, and the net earnings \$23,761 in 1886, against \$226,771 in 1887.

MISSOURI PACIFIC.

EARNINGS AND EXPENSES.

	1885.	1886.	1887.
Miles operated Dec. 31.....	1,037	1,488	2,796
Earnings—			
Passengers.....	\$2,004,578	\$2,020,597	\$2,845,453
Freight.....	5,153,025	5,518,266	8,537,017
Mail express and miscellaneous.....	785,959	1,106,127	1,597,114
Total earnings.....	\$7,943,562	\$8,645,020	\$12,979,589
Expenses—			
Transportation.....	\$1,532,085	\$1,699,291	\$2,675,139
Motive power.....	1,161,122	1,287,131	2,475,004
Maintenance of way.....	1,062,066	1,288,059	1,988,811
Maintenance of cars.....	315,545	333,432	618,657
Miscellaneous.....	267,501	620,810	498,933
Total expenses.....	\$4,338,319	\$5,238,723	\$8,286,594
Net earnings.....	\$3,605,243	\$3,406,297	\$4,692,995
Ratio of expenses to earnings.....	54.61	60.59	63.84

INCOME ACCOUNT.

	1885.	1886.	1887.
Net earnings.....	\$3,605,243	\$3,406,297	\$4,692,995
Dividends, &c.....	79,835	1,360,832	3,014,262
Total net income.....	\$4,385,078	\$4,767,129	\$7,707,257
Disbursements—			
Interest on bonds.....	\$1,822,727	\$1,875,470	\$2,349,407
Dividends paid.....	2,098,000	2,531,770	3,608,174
Rate of dividend.....	7	7	7
Taxes, rentals, &c.....	568,848	653,992	762,265
Total disbursements.....	\$4,489,575	\$5,061,232	\$6,119,846
Balance for year.....	—\$91,497	—\$294,103	\$1,587,411

GENERAL BALANCE DECEMBER 31.

	1885.	1886.	1887.
Assets—			
Cost of road and equipment.....	\$41,633,993	\$44,221,631	\$47,383,570
Investments in stocks and bonds.....	22,650,933	26,642,615	44,320,154
Materials and supplies on hand.....	1,060,774	1,601,291	1,216,033
Cash.....	549,780	2,724,766	614,372
Uncollected accounts.....	1,513,316	3,273,230	5,547,948
Total assets.....	\$67,418,796	\$78,467,573	\$99,084,247
Liabilities—			
Stock.....	\$29,974,806	\$39,959,600	\$43,974,850
Funded debt.....	30,000,000	30,000,000	41,302,000
Interest due and accrued.....	512,400	514,270	752,665
Vouchers for Dec. pay. follow Jan.....	2,016,405	3,474,689	3,950,121
Miscellaneous.....	121,894	19,821	15,005
Income account.....	4,793,293	4,496,193	6,086,605
Total liabilities.....	\$67,418,796	\$78,467,573	\$99,084,247

Reports and Documents.

ILLINOIS CENTRAL RAILROAD COMPANY.

REPORT OF THE DIRECTORS TO THE STOCKHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 1887.

The gross sum received by this Company from traffic during the past year has been.....	\$13,033,383 57
In 1886 the gross sum received was.....	12,529,493 15
The net earnings of the railroad in 1887 were.....	4,919,439 97
And in 1886.....	4,738,952 35
The available sum received from all sources during the past year has been :	
Surplus Dividend Fund, as shown in last report.....	302,782 27
Traffic.....	4,919,439 97
Lands.....	46,175 65
New York Office.....	489,235 14
	\$5,757,633 03

From that sum there were paid :

Bonds drawn under Sinking Fund and Interest on Debt.....	\$911,760 00
Rental of Chicago St. Louis & New Orleans Railroad.....	1,376,139 21
Permanent improvements.....	\$2,267,899 21
	53,377 20
	2,871,276 41
Leaving.....	\$2,886,356 62
Out of which there have been taken :	
The dividend paid September 1, 1887, 3½ per cent on \$30,000,000.....	\$1,050,000 00
And the dividend payable March 1, 1888, 3½ per cent on \$40,000,000.....	1,400,000 00
	2,450,000 00
There have been carried forward to Surplus Dividend Fund, to be held applicable to the next succeeding dividend.....	\$436,356 62

In their reports for the years 1883, 1884 and 1885 your directors alluded to the termination of the lease of the Dubuque & Sioux City Railroad on October 1, 1887, and to the loss arising thereunder. A renewal of the lease would have entailed a continued loss, and your directors, in March last, renounced the option of renewing and gave due notification of their decision. The lease therefore expired, in accordance with its terms, on October 1, 1887, and all commitments of the Illinois Central Railroad Company created by the lease came to an end. The business to and from the Iowa Falls & Sioux City Railroad (the western portion of the Iowa Division) furnished nearly one-half of the earnings of the Dubuque & Sioux City Railroad, and being then unable to make satisfactory new arrangements with the owners of the latter, a majority of the capital stock of the Iowa Falls & Sioux City Company was purchased at \$50 per share and payment therefor made in April and following months. The announcement of this purchase elicited an offer from the owners of a majority of the shares of the Dubuque & Sioux City Railroad to sell the same, which was accepted, and payment made on October 1 at \$31 60 per share. Other shares of each company were bought at lower prices. Full details thereof will be found in the accompanying abstracts. By a circular letter issued April 16, 1887, these purchases were brought to the attention of the stockholders of the Illinois Central Railroad Company, and were approved by them on June 17, 1887.

The claims of the Illinois Central Company for betterments made during the lease, and for real estate granted by it to lessor companies, have been settled by arbitration, and obligations of the Dubuque & Sioux City Railroad Company, and of the Iowa Falls & Sioux City Railroad Company, respectively, taken for the total sum, which is \$912,624 59. The leases of the Iowa roads restricted the allowance for betterments to certain specified items, and therefore it became necessary to write off against "Profit and Loss" the difference between the amounts heretofore charged to "Permanent Expenditures in Iowa," and the sum of the awards of the arbitrators. This produces an apparent though not a real diminution in the surplus of \$654,459 51. During the last three months of the year 1887, the Dubuque & Sioux City Railroad Company operated its railway and that of the Cedar Falls & Minnesota; and the Iowa Falls & Sioux City Company operated its railway.

Those companies have reported their earnings as follows :

Dubuque & Sioux City.....	\$270,661 71
Iowa Falls & Sioux City.....	242,241 86
Total for three months.....	\$512,903 57

These earnings form no part of the gross receipts of the Illinois Central Railroad Company. They, however, fully justify the dividends of one per cent, made by the Dubuque & Sioux City Railroad Company for the quarter ended December 31st, and of five eighths of one per cent made by the Iowa Falls & Sioux City Railroad Company. A continuance of dividends at these rates will return five per cent upon the cost of the shares.

Further purchases of shares and of bonds of the Mississippi & Tennessee Railroad Company have been made, a full exhibition of which is presented in the accompanying papers. This investment promises to be remunerative.

The reduction of the rent of the Chicago St. Louis & New Orleans Railroad by \$131,048 77, and the increase in the earnings of the Southern Division, have made the return from the latter even more satisfactory than in former years. A contract has been entered into by the Chicago St. Louis & New Orleans Company for the construction of a bridge across the Ohio River at Cairo at a cost of nearly \$2,500,000, which has been guaranteed by your company. It is believed that the contractors will fulfill their obligation to finish the bridge by December 31st, 1889.

The construction of the Chicago Madison & Northern Railroad is approaching completion. It has been built in a substantial manner, and that portion lying between Freeport and Chicago will undoubtedly command a large tonnage. A branch from this road has been undertaken to Dodgeville, in Wisconsin, some 57 miles in length.

In order to increase the earnings and usefulness of the railway in Iowa, there have been built the Cherokee & Dakota Railroad, from Cherokee northward to Sioux Falls, and southward to Onawa, 155 miles, and the Cedar Rapids & Chicago Railroad, from Manchester to Cedar Rapids, 42 miles. The track of those roads has been laid throughout, and will be opened for traffic within a few weeks.

The Rantoul Railroad, 76 miles, has been altered from the narrow gauge of three feet to standard gauge.

During the year 1887 the West & East Railroad was merged into the Yazoo & Mississippi Valley Railroad.

During the year 1887 no Bonds of the Illinois Central Company or of the Chicago St. Louis & New Orleans Company were sold.

The "Improvement Fund" to which was credited the proceeds of the \$1,000,000 of stock issued in accordance with resolutions adopted by stockholders on January 18, 1887, has, as foreshadowed in the last report, been used to pay for the elevators in Chicago and for equipment for branch lines. The elevators have been leased for five per cent on their cost, the tenant paying taxes, keeping the buildings insured, and making all ordinary repairs.

During the year other outlays on Capital Account, not to be paid from income, have been made as follows :

Iowa Division, prior to October 1st.....	\$81,116 46
Dubuque & Sioux City R. R. Co. shares.....	\$3,808,832 87
Iowa Falls & Sioux City R. R. Co. shares.....	2,243,152 21
	6,052,015 08
Yazoo & Mississippi Valley Railroad.....	4,139 27
Chicago Madison & Northern Railroad.....	4,795,000 00
South Chicago Railroad.....	3,825 49
Chicago Havana & Western Railroad.....	433,140 04
Rantoul Railroad.....	154,583 83
Cherokee & Dakota Railroad.....	1,842,500 00
Cedar Rapids & Chicago Railroad.....	482,113 58
	7,715,302 21
	\$13,851,433 75

APPLICATION OF INCOME.

Surplus dividend fund December 31, 1886, as shown in last report			\$302,782 27
Net receipts from operation of railway in 1887, as shown in Abstract "K"		\$4,919,439 97	
Net receipts of land office		46,175 65	
NET RECEIPTS IN NEW YORK—			
Interest on investments, dividends, &c	\$850,685 14		
Less fixed charges of railroads, the earnings of which are included in Illinois Central earnings	361,450 00	489,235 14	5,454,850 76
Interest on bonds of I. C. RR. Co.		\$861,760 00	\$5,757,633 08
Illinois Central 5 per cent sterling sinking fund bonds of 1903, drawn for payment		50,000 00	
Rent of C. St. L. & N. O. RR—			
Interest on bonds, including coupons due Jan., 1888	973,025 00		
Dividends on leased line stock July, 1887, and January 1888	400,000 00		
Sterling exchange premiums, salaries of trustees and others	3,114 21	1,376,139 21	
Construction account in Illinois	\$469,990 45		
Construction account Southern Division	113,386 75	533,377 20	
Dividend September, 1887, on Illinois Central shares	\$1,050,000 00		
Dividend March, 1888, on Illinois Central shares	1,400,000 00	2,450,000 00	5,321,276 41
Surplus dividend fund, applicable to next succeeding dividend			\$436,356 62

PERMANENT EXPENDITURES.

	Illinois Central proper.	Springfield division.	Southern lines.	Total Illinois and South'n lines.	Iowa lines to 30th Sept.	Total whole line.
CONSTRUCTION—						
Bridging	\$5,294 36		\$1,730 04	\$7,024 40	\$6,383 38	\$13,407 78
Station grounds	30,754 17	\$310 75	\$3,171 48	114,236 40	853 07	115,089 47
Station buildings	22,759 06	135 00	16,061 46	38,955 52	25,264 97	64,220 49
Water works	200 00	433 44	626 53	1,259 97	2,481 40	3,751 37
New sidings	26,446 40	5,791 18	7,779 89	40,017 47	8,490 47	48,507 94
Cattle guards and crossings	148 84	83 88	5 00	237 72	234 00	471 72
Fencing	10,892 89	656 93	2,025 90	13,575 72	1,916 21	15,491 93
Steel rails					14,241 29	14,241 29
Ballasting	35,091 01		1,211 32	36,302 33	21,120 79	57,423 12
Right of way		481 75	90 50	572 25		572 25
Widening roadway			684 63	6-4 13	3,120 88	3,805 51
Filling at Weldon	673 86			673 86		673 86
Filling at ear works	59 06			595 06		595 06
Thirteenth Street pier	819 70			819 70		819 70
Sixteenth Street pier	6,367 53			6,367 53		6,357 53
New main track	16,683 91			16,683 91		16,683 91
Washington Driving Park track	51,611 59			51,611 59		51,611 59
EQUIPMENT—						
New locomotives	133,802 10			133,802 10		133,802 10
New passenger cars	92,966 24			92,966 24		92,966 24
New freight cars	26,990 80			26,990 80		26,990 80
Total	\$162,097 52	\$7,892 93	\$113,386 75	\$583,377 20	\$84,116 46	\$667,493 66
CHARGED TO INCOME—						
Illinois Central proper				\$462,097 52		
Springfield division				7,892 93		
Total in Illinois				\$469,990 45		
Southern lines				113,386 75	\$583,377 20	
Charged to permanent expenditures, Iowa					84,116 46	\$667,493 66

PERMANENT EXPENDITURES IN IOWA, DUBUQUE & SIOUX CITY RR. AND IOWA FALLS & SIOUX CITY RR.

Permanent expenditures Iowa division, Dec. 31, 1886 (see last Report)	\$1,482,967 64	
Permanent expenditures Iowa division, Jan. 1 to Sept. 30, 1887 (see table above)	81,116 46	
Total permanent expenditures Iowa division, during term of lease (Being a yearly average of \$78,354 12,00 for each of 20 years.)		\$1,567,084 10
Written off to profit and loss, being the amount expended for betterments, other than those stipulated in the leases to be paid for by the lessors within 12 months from the end of the term of lease October 1, 1887	\$654,459 51	
Claims against lessor companies, as adjusted by arbitration, payable October 1, 1888, with interest:		
Dubuque & Sioux City RR. Co. (see below)	\$669,077 10	
Iowa Falls & Sioux City RR. Co. (see below)	243,547 49	912,624 59
DUBUQUE & SIOUX CITY RR.—		
Paid October 1, 1887, for D. & S. C. RR. Co., stock bought at \$80 per share, and 6 months' interest at 4 per cent	32,620 shares @ \$81 60/100	\$2,666,688 00
Cost of other stock, bought from time to time	15,538 shares @ 73 51/100	1,142,174 87
Total shares	48,218 shares @ \$78 98/100	\$3,808,862 87
Due by D. & S. C. RR. Co. to I. C. RR. Co. for betterment made during the lease as therein provided, and for real estate (see above)		669,077 10
Amount now charged to Dubuque & Sioux City RR. in general balance sheet		\$4,477,939 97
IOWA FALLS & SIOUX CITY RR.—		
Cost of stock of I. F. & S. C. RR. Co., bought from time to time; 45,376 shares @ \$49 44/100		\$2,243,152 21
Due by I. F. & S. C. RR. Co. to I. C. RR. Co., for betterments made during the lease as therein provided, and for real estate (see above)		243,547 49
Amount now charged to Iowa Falls & Sioux City RR., in general balance sheet		\$2,486,699 70
From their respective earnings for the three months, Oct. 1 to Dec. 31, 1887:		
The Dubuque & Sioux City RR. Co. paid a dividend of 1 per cent on its stock, amounting on the shares owned by the I. C. RR. Co. to	\$49,118 00	
And the Iowa Falls & Sioux City RR. Co. paid a dividend of 3 per cent on its stock, amounting on the shares owned by the I. C. RR. Co. to	28,360 00	\$77,478 00
These amounts are included in "Net Receipts N. Y. Office," shown in "Application of Income" table.		

ASSETS.

C. St. L. & N. O. RR. Co. 5 per cent gold bonds of 1951, at par (Of these \$5,000,000 are pledged to secure \$1,000,000 Illinois Central RR. Co. 3½ per cent sterling bonds of 1950)	\$5,562,000 00	
C. St. L. & N. O. RR. Co. stock, at 80	112,160 00	
Advances to C. St. L. & N. O. RR. Co. on account of Cairo Bridge	322,518 33	
Stock of Mississippi & Tennessee RR. Co. at cost, par value \$615,100	569,213 62	
5 per cent bonds of Mississippi & Tennessee RR. Co. at cost, par value \$1,610,000	1,821,868 13	
7 per cent bonds of the Iowa Falls & Sioux City RR. Co. at cost, par value \$460,500	555,308 13	\$8,943,068 21
Cash		464,227 65
Other assets		740,996 21
LESS LIABILITIES—		
Bills payable	3,575,000 00	
Coupons and dividends due January 1, 1888	409,180 00	
Coupons and dividends overdue and unclaimed	196,615 74	
Net liabilities Chicago office	119,416 77	
Other liabilities	77,290 03	4,377,502 54
		\$5,770,789 58

IMPROVEMENT FUND.

As stated in the report for 1886, \$1,000,000 of stock of the company was issued, in accordance with resolutions adopted by the stockholders January 18, 1887, at say \$136 per share of \$100.....	\$1,361,040	13
This stock was entitled to and received the dividend paid March 1, 1887, 3½ per cent on \$1,000,000.....	35,000	00
Net proceeds credited to improvement fund.....		\$1,326,040 13
Disposed of as follows:		
Elevators in Chicago, see Report for 1886.....	\$462,255	94
Equipment for branch lines:		
During 1886, see Report for 1886.....	\$235,544	49
During 1887.....	628,239	70
	\$63,784	19
		\$1,326,040 13

GENERAL BALANCE SHEET.

Permanent Expenditures:		Capital stock of Illinois Central RR. Co	\$40,000,000 00
Illinois Central RR.....	\$34,000,000 00	Funded Debt:	
Springfield Division.....	1,600,000 00	6% sterling bonds of 1895, \$500,000.....	\$2,500,000 00
Middle Division.....	1,432,853 03	6% Springfield Div. bonds of 1898.....	1,600,000 00
South Chicago RR.....	217,904 00	5% sink. fd. bonds of 1903, \$780,000.....	3,850,000 00
Chicago Havana & Western RR.....	1,801,022 58	5% sterling bonds of 1905, \$200,000.....	1,000,000 00
Racine RR.....	511,212 68	5% Middle Division bonds of 1921.....	968,000 00
Chicago Madison & Northern RR.....	5,540,000 00	3½% sterl. bonds of 1950, \$1,000,000.....	5,000,000 00
Chicago St. Louis & New Orleans RR.....	28,000,000 00	4% first mort. gold bonds of 1951.....	1,500,000 00
Canton Aberdeen & Nashville RR.....	1,892,639 82	3½ first mort. gold bonds of 1951.....	2,496,000 00
Yazoo & Mississippi Valley RR.....	2,261,363 63	Past due and called bonds.....	12,000 00
Dubuque & Sioux City RR.....	4,477,939 07		
Iowa Falls & Sioux City RR.....	2,446,699 70	Capital stock of Chic. St. L. & N. O. RR. Co.	
Cherokee & Dakota RR.....	1,842,500 00	Funded debt of C. St. L. & N. O. RR. Co.	
Cedar Rapids & Chicago RR.....	482,113 58	8% bonds of 1890, N. O. J. & Gt. N.	
Working stock of supplies.....	792,543 28	RR. Co.....	1,480,000 00
Net assets.....	5,770,789 53	7% bonds of 1897, C. St. L. & N. O.	1,397,000 00
Assets in insurance fund.....	14,041 54	6% bonds of 1907, do do	80,000 00
		5% gold bonds of 1951, C. St. L. & N.	
		O. RR. Co.....	15,037,000 00
		Past due and called bonds.....	6,000 00
		Set apart for dividend March 1, 1888.....	18,000,000 00
		Surplus dividend fund.....	1,400,000 00
		Profit and loss.....	436,356 62
		Insurance fund.....	4,347,231 08
			14,041 54
	\$93,123,629 24		\$93,123,629 24

ATCHISON TOPEKA & SANTA FE RAILROAD COMPANY.

APPLICATION TO THE NEW YORK STOCK EXCHANGE.

BOSTON, Mass., March 1st, 1888.

The Atchison Topeka & Santa Fe Railroad Company hereby makes application to have placed on the regular list of the New York Stock Exchange \$10,530,000 of its Collateral Trust Five per Cent Gold Bonds.

The company was incorporated February 11, 1859, under an act passed by the Legislature of the Territory of Kansas.

Its route is from Atchison in Kansas to the western boundary of that State, 470.58 miles. It also controls and operates as part of its system various roads in Kansas, Colorado, New Mexico and Texas (including the Leavenworth Northern & Southern and Denver & Santa Fe railways), having an aggregate mileage of 1,610.27 miles.

It also operates separately the various roads forming the Southern Kansas Railway, including the Southern Kansas Railway of Texas, 934.95 miles; the Chicago Kansas & Western Railroad Company's lines, all in Kansas, 903.16 miles; the Chicago Santa Fe & California Railway between Chicago and Kansas City, including a branch to Pekin, 498.25 miles; the St. Joseph St. Louis & Santa Fe Railroad, between Winthrop and St. Joseph and St. Joseph and Lexington Junction, 95.70 miles; the St. Louis Kansas City & Colorado Railroad, between St. Louis and Union, 60.90 miles; the Gulf Colorado & Santa Fe Railway, from junction with the Southern Kansas Railway in the Indian Territory to Galveston, Texas, including branches, 1,019.44 miles; the New Mexico & Arizona Railroad, 87.78 miles; the Sonora Railway in Mexico, 262.41 miles; and the California Central Railway, comprising various lines in California, aggregating 183.55 miles.

The Atchison Topeka & Santa Fe Railroad Company practically owns all the Capital Stocks of the above-named auxiliary companies, except what has been issued to towns and counties in Kansas in exchange for local aid bonds.

It also owns a majority of the capital stock of the California Southern Railroad Company, whose road from Barstow, on the line of the Atlantic & Pacific Railroad Company, to National City, near San Diego—210.61 miles—is operated separately; it owns, jointly with the Union Pacific Railway Co. control of the Manhattan Alma & Burlingame Railway Company in Kansas, 56.62 miles, and the Leavenworth Topeka & Southwestern Railway Company in Kansas, 46.30 miles; and it owns half the capital stock of the Wichita & Western Railroad Company in Kansas, 44.93 miles, the other half being owned by the St. Louis & San Francisco Railway Company.

It likewise owns, jointly with the St. Louis & San Francisco Railway Company, a majority of all the authorized Capital Stock of the Atlantic & Pacific Railroad Company, 917.75 miles.

All the stock of the Terminal Company in Chicago, known as the Atchison Topeka & Santa Fe Railroad Company in Chicago, is owned by the Atchison Company.

The gauge of all these roads is four feet eight and one-half inches.

The authorized Capital Stock of the Atchison Company is \$75,000,000, divided into shares of \$100 each, all of which has been issued.

The bonded debt of the company is shown in a statement hereto attached, which includes the bonds for the listing of which application is now being made.

The bonds for which listing is now applied, and of which a sample is herewith attached, are designated Atchison Topeka & Santa Fe Railroad Company Collateral Trust Five per Cent Gold Bonds. They are numbered from 1 to 10,530, of \$1,000 each—in all \$10,530,000—and they have all been sold and issued. They are dated first of February, 1887, payable on the first day of February, 1937, bearing interest coupons, payable semi-annually, on August 1 and February 1, at five per cent per annum. Coupons are payable in Boston, or at such other place or places as the directors may designate. Principal and interest payable in gold coin of the United States, or its equivalent. The bonds, but not the coupons, may be registered at the office of the company, 95 Milk Street, Boston; and registered certificates for \$5,000 each will also be issued at the same office in exchange for five bonds of \$1,000 each. The bonds are secured by an Indenture of Trust with the Boston Safe Deposit & Trust Company, dated December 1, 1886, a copy of which is attached. By an Amending Agreement (copy of which is also attached) dated July 1, 1887, the railroad company relinquished its right to withdraw any of the Collateral Bonds on deposit with the Trustees, substituting therefor other bonds, as provided in Article Third of the Indenture of December 1, 1886. The total issue of bonds is limited to \$15,000,000.

These bonds are not a mortgage on the railroad of this company, but are its direct obligation, and are secured by the deposit with the Boston Safe Deposit and Trust Company, Trustee, whose certificate is attached, of the following described bonds, namely:

The Six per Cent First Mortgage Bonds of the California Central Railway Company, of which there are now completed and in operation 183.55 miles, limited to \$25,000 a mile..... \$4,503,000

(The California Central Railway consists of various lines in California, the completed portions of which are shown in the accompanying map, marked in red ink. About 75 additional miles are also graded, and will be completed within three months, all the material having been purchased.)

The Six per Cent First Mortgage Bonds of the St. Joseph St. Louis & Santa Fe Railway Company, 95 miles, 3,700 feet, limited to \$ 0.000 per mile..... 1,537,000

(This road is constructed and in operation from the east side of the Missouri River, opposite Atchison, Kan., to St. Joseph, Mo., and thence to Lexington Junction, Mo., where it connects with the Chicago Santa Fe & California Road.)

The Six per Cent Mortgage Bonds of the Chicago Santa Fe & California Railway Company, Pekin Division, 52.401 miles completed and in operation, limited to \$14,000 per mile..... 733,000

(This is practically a first mortgage on this property. There is an existing mortgage of the Chicago & St. Louis Railroad Company for \$1,500,000, which covers the present line of the Chicago Santa Fe & California Railway Company between Chicago and Anconia and from Anconia to Pekin, at the rate of \$11,000 per mile of completed road; but this mortgage has been taken care of by securities for a like amount, having been placed in the hands of the trustees to cover the same.)

The Six per Cent First Mortgage Bonds of the Leavenworth Northern & Southern Railway Company, running from Wilder, on the Kansas City Topeka & Western Railroad, through Leavenworth to a connection with the Atchison Topeka & Santa Fe Railroad at Cummings Junction, all in the State of Kansas, 46.162 miles completed and in operation, limited to \$14,000 a mile..... 646,000

The Six per Cent First Mortgage Bonds of the Denver & Santa Fe Railway Company, from Pueblo to Denver in Colorado, including the Circle Railroad in Denver, 124.27 miles completed and in operation, limited to \$25,000 per mile..... 3,106,000

\$10,530,000

The offices of the company are at Topeka, Kansas, and at 95 Milk Street, Boston.

The Registry Office for Bonds is at 95 Milk Street, Boston. The Transfer Offices for Stock are at 95 Milk Street, Boston. Also, the National Bank of Commerce in New York and the Merchants' Loan & Trust Company of Chicago.

EASTERN OFFICERS:

President.....WM. B. STRONG, Boston, Mass.
Comptroller and General Auditor.....JOHN P. WHITEHEAD, Boston, Mass.
Assistant-Sec. and Assistant-Treas.....GEO. L. GOODWIN, Boston, Mass.
Assistant-General Auditor.....J. T. HARMER, Boston, Mass.
Transfer Agent.....A. A. GLASIER, Boston, Mass.

WESTERN OFFICERS:

First Vice President.....C. W. SMITH, Chicago, Ill.
Sec. Vice-Pres. and Chief Engineer A. A. ROBINSON, Topeka, Kansas.
General Manager.....J. E. GOBARD, Topeka, Kansas.
Secretary and Treasurer.....E. WILDER, Topeka, Kansas.
JNO. P. WHITEHEAD, Comptroller.

The Committee recommended that the above-described \$10,530,000 Collateral Trust Five Per Cent Coupon Gold Bonds Nos. 1 to 19,530, inclusive, and Registered Certificates for \$5,000, into which said bonds may be converted, be admitted to the regular list.

Adopted by the Governing Committee March 14th, 1883.

ATCHISON TOPEKA & SANTA FE RAILROAD COMPANY.

APPLICATION TO THE NEW YORK STOCK EXCHANGE.

BOSTON, Mass., March 1st, 18-8.

The Atchison Topeka & Santa Fe Railroad Company hereby makes application to have placed on the regular list of the New York Stock Exchange a further amount of the second issue of the six per cent sinking fund secured bonds of the Atchison Topeka & Santa Fe Railroad Company.

Official information concerning the above-named bonds was furnished to the New York Stock Exchange under date of February 15, 1883.

Since the last application for listing, the additional amount issued is \$2,652,000 in bonds of \$1,000 each, numbered 12,349 to 15,000, inclusive.

The provisions of the Trust require that the bonds deposited as security shall exceed by ten per cent the amount of the six per cent sinking fund secured bonds issued, and the amount required for the \$2,652,000 is \$2,917,200.

The securities deposited for this amount are as follows:

Elk & Chautauqua Railroad Company, 1st mortgage.....	\$24,000
Kansas City & Emporia Railroad Company, 1st mortgage.....	150,000
Kansas City Emporia & Southern Railway Company, 2d mortgage.....	144,000
Kansas City Emporia & Southern Railway Company, Howard extension, 1st mortgage.....	100,000
Kansas Southern Railway Company, 1st mortgage.....	65,000
Leavenworth Northern & Southern Railway Co., 2d mort.....	508,000
New Mexican Railroad Company, 1st mortgage.....	83,000
New Mexico & Southern Pacific Railroad Company, 2d mort.....	12,000
Pueblo & Arkansas Valley Railroad Company, 2d mortgage.....	300,000
The Southern Kansas Railway Co., Girard extension, 1st M.....	135,000
The Southern Kansas Railway Company, Harper and Western division, 1st mortgage.....	923,000
The Southern Kansas Railway Company, Kansas City & Emporia division, 2d mortgage.....	301,000
Wichita & Southwestern Railway Company, 2d mortgage.....	95,000
	\$2,930,000

Certificate of the Boston Safe Deposit & Trust Company is herewith enclosed.

This additional issue completes the entire amount authorized under the Trust Indenture relating to said bonds; namely, \$15,000,000.

By the operation of the Sinking Fund, as provided for in said Indenture, \$578,000 of bonds have been canceled, so that the total amount now outstanding is \$14,422,000, which will be decreased from year to year by the operation of the Sinking Fund.

In the Indenture of Trust, Section Two, it is provided that the bonds to be deposited as security shall be of the face value of \$1,100 for each \$1,000 of the said Atchison Six per Cent Bonds.

In Section Three of said Indenture of Trust, all of said bonds so deposited from time to time shall, irrespective of the date of such deposit, stand and be held as a common security.

In Section Seven it is provided that the company shall have the right to demand and receive from the Trustees a corresponding amount of pledged securities for the amount of bonds canceled by means of said Sinking Fund.

For convenience, I submit below a statement of all bonds which are now held by the Trustees against the present outstanding amount—\$14,422,000—of the said Six Per Cent Bonds, and also attach a similar statement certified to by the Boston Safe Deposit & Trust Company, Trustee. All of said bonds thus held as security by the Trustee are in conformity with Article Second of the Indenture of Trust.

Elk & Chautauqua Railroad, 1st mortgage.....	\$142,000
Harvey County Railroad, 1st mortgage.....	195,000
Kansas City & Emporia Railroad, 1st mortgage.....	1,109,000
Kansas City Emporia & Southern Railway, 2d mortgage.....	144,000
Kansas City Emporia & Southern Railway, Howard extension, 1st mortgage.....	100,000
Kansas City & Olathe Railroad, 1st mortgage.....	350,000
Kansas City Topeka & Western Railroad, 2d mortgage.....	795,000
Kansas Southern Railway, 1st mortgage.....	594,000
Leavenworth Northern & Southern Railway, 2d mortgage.....	508,000
Manhattan Albia & Burlington Railway, 1st mortgage.....	339,000
Marion & McPherson Railway, 2d mortgage.....	383,000
Marion & McPherson Extension Railroad, 1st mortgage.....	130,000
The Southern Kansas Railway, Girard Extension, 1st mort.....	135,000
The Southern Kansas Railway, Harper and Western extension, 1st mortgage.....	923,000

The Southern Kansas Railway, Kansas City and Emporia Division, 2d mortgage.....	301,000
Wichita & Southwestern Railway, 2d mortgage.....	263,000
(The above bonds are all on roads in the State of Kansas)	
New Mexico & Arizona Railway, 1st mortgage.....	2,313,000
New Mexico & Southern Pacific Railroad, 2d mortgage.....	3,692,000
New Mexican Railroad, 1st mortgage.....	1,070,000
Silver City Denning & Pacific Railroad, 1st mortgage.....	708,000
Pueblo & Arkansas Valley Railroad (Colorado) 2d mort.....	1,690,000
	\$15,888,000

Total amount issued of the Atchison Topeka & Santa Fe Railroad Company's 6s.....\$15,000,000
Less canceled in accordance with the provisions of the sinking fund.....578,000

Total amount now outstanding.....\$14,422,000
The Trust requires additional collaterals equal to 10 per cent of the amount outstanding.....1,442,200

Total amount of collaterals required.....\$15,864,200
JNO. P. WHITEHEAD, Comptroller.

The Committee recommended that the above-mentioned \$2,652,000 additional sinking fund secured six per cent bonds, Nos. 12,349 to 15,000, inclusive, be added to amount now on list, making total amount listed to date \$14,422,000 (Nos. 1 to 15,000, less the numbers of 573 bonds withdrawn and canceled).

Adopted by the Governing Committee March 14, 1883.

Colorado Coal & Iron Company.

(For the year ending Dec 31, 1887)

The President's report states that at no time since the inception of this company has railway building been so extensively carried on in the State of Colorado as during the past year. "This bears most favorably on the future prosperity of Colorado, and especially so on this company by opening up new avenues for the free distribution of its coal and iron products."

The business of the past year has been most satisfactory. The collieries have been taxed to their fullest capacity. The total output of coal from the company's mines has been as follows during the years named: 1884, 452,498; 1885, 562,660; 1886, 616,410; 1887, 757,419.

In comparing the net result for the year 1887 with that in 1886, there is shown an increase of \$209,973, or 61 per cent; this is largely derived from the iron and steel department, in which an increased demand for steel rails, the good prices ruling, and the measures of economy adopted, largely increased the net profits.

The amounts expended for construction and equipment, &c., during the year were as follows: Coal department, \$117,072; coke department, \$1,130; iron and steel department (including cost of completing blast furnace No. 2), \$119,547; iron mines department, \$8,357; real estate department, \$28,451.

The amount advanced to the Aspen & Western Railway Company up to close of year was \$251,031.

The President remarks: "The financial result of the past year shows, after deducting the fixed charges, a sum equivalent to 3-42 per cent on your capital stock, and but for the unavoidable expenditures attending the construction of blast furnace No. 2, and money disbursed for account of the Aspen & Western Railway Company, both vital necessities, and essential for the protection and continued prosperity of your company's future business, a dividend was probable. Your board, however, takes this opportunity to impress upon the stockholders that the extraordinarily rapid developments of the State of Colorado compel your company, from time to time, to apply its current funds largely to additions and betterments to your properties, and by that means provide against serious and dangerous competition." * *

"During the month of November of the past year, a decision was rendered by the Supreme Court of the United States in the matter of the United States Government vs. The Colorado Coal & Iron Company, the judgment of the lower court being reversed and the case ordered dismissed. This secures to your company the title to some 9,566 acres of land in Las Animas County, including your El Moro coal mines."

The number of Colorado Coal & Iron Company bonds belonging to the sinking fund and in trustees' hands represent \$79,000, an increase of \$25,000 during the past year.

EARNINGS AND EXPENSES.

	1886.	Net	1887.	Net
	Gross earnings.	earnings.	Gross earnings.	earnings.
Coal & coke department.....	\$1,197,270	\$255,400	\$1,392,149	\$323,651
Iron and steel dept.....	690,085	35,749	1,382,149	208,410
Iron mines dept.....	.....	loss 976	.....	loss 236
Real estate dept.....	24,953	8,308	29,143	9,350
Miscellaneous earnings.....	5,140	5,140	6,527	6,526
Total.....	\$1,917,449	\$333,611	\$2,818,876	\$548,581
INCOME ACCOUNT.				
		1886.	1887.	
Net earnings.....		\$333,611	\$548,581	
Add income from investments, &c.....		8,650	4,433	
Total.....		\$342,261	\$553,014	
Less interest on bonds.....		\$209,940	\$209,940	
Less premium on bonds.....		.....	780	
		\$209,940	\$210,720	
Surplus.....		\$133,321	\$342,294	
Increase over previous year.....		\$106,577	\$209,973	
Royalties earned and credited to coal, coke and real estate capital accounts during the year, included in operating expenses.....		\$60,657	\$96,019	

